ANNUAL FINANCIAL REPORT
AS AT 31 DECEMBER 2015

Key Consolidated Figures

The 2015 figures for Casino Group are as follows:

Continuing operations (in € millions)	2014	2015	Change (%)	Organic change [1]
Consolidated net sales	48,493	46,145	-4.8%	+0.3%[2]
Gross margin	12,092	11,165	-7.7%	
EBITDA[3]	3,191	2,343	-2.,6%	-22.1%
Net depreciation and amortisation	(960)	(897)	-6.6%	
Trading profit	2,231	1,446	-35.2%	-30.6%
Other operating income and expense	(494)	(478)		
EBIT, including:	(678)	(818)	-20.7%	
Net financing costs	(640)	(569)	+11.1%	
Other financial income and expense, net	(38)	(249)	n.s.	
Pre-tax income	1,059	150	-85.9%	
Income tax expense	(310)	(61)	+80.3%	
Share in the profit of equity associates	77	66	-15.3%	
Net profit from continuing operations	826	154	-81.4%	
o/w Group share	253	(47)	n.s.	
Attributable to minority interests	573	201	-64.9%	
Consolidated net profit	824	158	-80.9%	
o/w Group share	251	(43)	n.s.	
Attributable to minority interests	573	201	-64.9%	
Net underlying profit, Group share[4]	556	412	-25.8%	

(1) Based on a comparable scope of consolidation and constant exchange rates, excluding the impact of asset disposals (real estate mutual investment funds)
(2) Excluding fuel and calendar effect
(3) EBITDA = Earnings before Interest, Taxes, Depreciation and Amortisation
(4) Underlying net profit corresponds to net profit from continuing operations adjusted for the impact of other income and operating expenses, the impact of non-recurring financial items, and non-recurring income tax expense/benefits (see Notes).

Significant events of the period

- On **9 January 2015**, Leader Price opened its 1,001st store and announced the launch of the new concept: Leader Price Express.

- On **4 May 2015**, Casino Group signed a unilateral purchase agreement with the Gastronome Group (Terrena Group) to acquire its Gastronome-Luche subsidiary, which has a site in Luche-Pringe, north-western France (Sarthe department). The deal allows Casino to introduce a poultry section with high-quality products and have control over the entire supply chain.

- On **12 June 2015**, Géant Casino announced a storefront upgrade programme starting in September 2015. New concepts will be introduced and synergies developed with other Group subsidiaries (including Cdiscount for multi-channel and Éxito for textiles and homeware).

- On **30 June 2015**, Starbucks Coffee Company and Casino Restauration (a subsidiary of Casino Group) signed a licensing agreement that provides for the opening of Starbucks cafés in Géant Casino hypermarkets and Supermarchés Casino throughout France.

- On **30 July 2015**, Casino Group strengthened its organizational structure by grouping all its Latin American operations. This new structure is centred on its Colombian subsidiary Éxito and will boost the Group's future growth in Latin America. Casino Group signed an agreement with Éxito, to sell to Éxito 50% of Casino's holding company in France that holds voting shares in its Brazilian subsidiary GPA amounting to 18.8% of GPA's share capital, and 100% of Libertad (a Group subsidiary in Argentina).

  Previously, the Colombian subsidiary had strengthened its consolidation scope by taking control of Disco in Uruguay from 1 January 2015 and had finalized the acquisition of the Super Inter network on 15 April 2015 by exercising an option to purchase 29 stores.

- On **18 August 2015**, Éxito obtained approval from its shareholders at their General Meeting to acquire from Casino Group 50% of the voting shares of its Brazilian subsidiary GPA and 100% of Libertad. Éxito completed the acquisition on 20 August 2015. A shareholders' agreement was signed to arrange control of GPA.

- On **30 November 2015**, Casino Group and DIA Group signed a strategic international alliance covering procurement and services. The two groups agreed to coordinate procurement negotiations for their Distributor Brands in Europe, with a view to growing volumes by some 50%.

- On **15 December 2015**, Casino Group announced it was enhancing its financial flexibility with a plan to reduce its debt by more than €1 billion in 2016 that would include selling the Group's activities in Vietnam. The scope of the debt reduction plan was increased to €4 billion in 2016 with the announcement in February of the sale of Big C Thailand.

- On **18 December 2015**, the Board of Directors of Cnova announced that it had commissioned external consultants to help in an investigation of irregularities presumed to have been committed by stock management employees at its Brazilian subsidiary within its distribution centres. During this investigation, the subsidiary also identified anomalies in supplier payables, receivables and goods in transit with carriers.

  Notes 2 and 3 of the Appendix to the consolidated financial statements disclose the accounting impact of the main events during the fiscal year.

Business report

The comments in the Annual Financial Report are based on a comparison of the 2014.

Main changes in the scope of consolidation and associated effects:

- Full consolidation of Super Inter in Colombia from 16 October 2014
- Full consolidation of Disco in Uruguay from 1 January 2015
- Consolidation of Europrice, Leader Centre Gestion and Parfidis groups (Franprix Leader Price) in 2015
- Disposal of 110 Franprix Leader Price stores to two master franchisees on the second semester of 2015

Currency impact:
Measured against 2014, the currencies of the countries in Latin American in which the Group operates fell significantly against the euro (on average the Brazilian real falling 15.7% and the Colombian peso falling 13%). In contrast, the Thai baht rose 13.5% against the euro. At a constant exchange rate, the main aggregates of the consolidated income statement were as follows:

Continuing operations (in €m)	**2014**	**2015 at CER**
Sales	**48,493**	**49,246**
EBITDA	**3,191**	**2,499**
Trading profit	**2,231**	**1,553**
Underlying net profit, Group share	**556**	**416**

- 2015 highlights include:

  - In France, recovery in the activity and results in the second half of 2015:
    - Ongoing new commercial strategy:
      - Major price repositioning in 2013 and 2014 at Géant Casino and Leader Price
      - Deployment of new concepts at Géant Casino and Franprix and store refurbishments
      - Commercial growth of Monoprix with store openings outside the Paris region
    - Acceleration of recovery in activity in H2 2015
    - Continuous market share gains iduring H2 2015 for the Group and notably for Géant Casino and Leader Price(1)
    - Signature of a purchasing partnership with Dia and extension of the agreement with Intermarché
    - Profitability rose sharply in H2 2015 with trading profit of €390 million, up 34.1% on H2 2014 after investments in prices and costs during the first half of 2015 weighed on the trading profit, notably at Géant and Leader Price.

  - Internationally, subsidiaries are adjusting rapidly to changes in economic conditions:
    - Good performance by Éxito in Colombia, Uruguay and Argentina
    - In Brazil, GPA Food performed well and the share of the most buoyant formats in the mix grew:
      - Multivarejo:
        - High margin at 7.7%(2), including 9.2%(2) in Q4
        - Gain in market share by Pão de Açúcar and in convenience
        - Strengthening of teams since H2 2015 to continue with the relaunch of the Extra store

(1) Kantar data
(2) Figures as disclosed by the subsidiary

- Assaí:
  - Growth acceleration in Q4 (up +27.8% organically[2]) driven by sales and expansion
  - Gains in market share: +2%[2] on 2013

- Consolidation of the Group's activities in Latin American
  - Éxito acquires 50% of GPA voting shares held by Casino Group and 100% of Libertad in August 2015
  - Significant synergies: value creation by boosting Éxito margin by 50 bp (ca US$160m)
  - Very good performance of Big C in Thailand and in Vietnam
  - Negative results from Cnova attributable notably at Cnova Brazil impacted by macroeconomic environment and by a detected fraud. The operating performance of Cdiscount is satisfactory
  - Negative impact of exchange rate

- Deleveraging plan to strengthen the Group's financial flexibility
  - Rebalacing of debt within the Group in 2015 in order to significantly reduce Casino's NFD in France[1] by end 2015
  - Announcement of a deleveraging plan of around €4 bn, debt reduction plan, with a significant initial stage to be implemented in the first quarter of 2016
    - Proposed disposal of Big C Vietnam activities announced at end 2015
    - Sale of the Group's stake in Big C Thailand announced on 7 February 2016
  - The proceeds from the disposals will be allocated to further reducing Casino's debt in France[1]

- In 2015, Group consolidated revenue was down 4.8% (up +1.6% at constant CER). Changes in consolidation scope accounted for +1.4%. Exchange rate variation had a net negative impact of -6.4%.

- Sales excluding fuel and calendar effect grew organically by +0.3%:
  - In France, organic food sales excluding fuel and calendar effect was +1.1% of which +2.7% in Q4 2015. Recovery in the activity was confirmed in France by recurring market share gains.[2]
    - Géant Casino posted steadily growing revenues and the banner continued to gain market share
    - Leader Price had a steady expansion with strongly recovering sales and gaining market share
    - The Group's other banners are reporting good performances.
  - Internationally:
    - Food retail sales in Latin America report good growth at +5.8% in 2015 excluding fuel and calendar effect, driven by resilient sales in Brazil and strong performance in all Éxito Group countries
    - Via Varejo sales were down throughout the year but recovered slightly in Q4
    - Organic growth excluding fuel and calendar effect in Asia was -0.8% year-on-year.

- E-commerce grew organically by +6.6% in 2015.

[1] Casino Group holding company scope, including the French activities of wholly-owned subsidiaries
[2] Kantar data

- Trading profit was down as a result of previous price cuts in France, and the economic slowdown in Brazil impacting Via Varejo and Cnova Brazil. Group trading profit in 2015 was €1,446 million (€1,553 million at constant exchange rates) versus €2,231 million the previous year.

  - In France, trading profit slipped compared to 2014 to €337 million. Operating results were impacted by the last significant effects of price cuts in H1 at Géant Casino and Leader Price, and by the recovery in activity growth in H2 2015. Monoprix and Franprix are posting good operating performance. Trading profit in France recovered sharply in H2 2015 (€390m), and was up +34.1% compared with H2 2014 (€291m).

    In France, Casino carries out property development activities, as part of the implementation of its dual business model and has 21 property development projects including 10 Géant Casino sites and 5 Monoprix sites representing more than 75,000 sq. m of floor space in development. These activities have generated similar EBITDA over the last two financial years: €167m in 2015 and €162m in 2014.

  - The Latam Retail segment's trading profit decreased compared with 2014, and amounted to €703m. In Brazil, cost inflation put pressure on the margin for the year against a backdrop of weak growth in net sales. The margin on the food retail businesses in Latin America remained at a high level of 4.8%. The performances registered by Colombia, Argentina, and Uruguay were highly satisfactory.

  - The Latam Electronics segment's trading Profit was down versus 2014 at €271 million impacted by the sharp contraction in business since Q2 2015. Via Varejo's new management implemented action plans to re-launch its price competitiveness, which saw the subsidiary end the year with less erosion of sales sequentially and market share gains.

  - Trading profit in Asia amounted to €277m was €277 million. Margin was slightly down (-27 bp) despite very tight cost control. The Group has announced the planned disposal of its activities in Thailand and Vietnam.

  - EBITDA for the e-commerce segment was negative in 2015. Operating performance at Cdiscount was satisfactory with a positive EBITDA in H2 2015. Performance in Brazil was affected by the macroeconomic environment and by fraud identified at Cnova Brazil in the form of falsified stock returns at its distribution centres and anomalies in supplier payables, receivables and goods in transit with carriers (Note 2 of the Appendix to the consolidated financial statements).

- Trading margin was down at 3.1% (-147bp in total). In comparison to 2014 figures:

  - Trading margin for the France Retail segment was down slightly at 1.8%
  - Trading margin for the Latam Retail segment was down at 4.8%
  - Trading margin for the Latam Electronics segment was down at 5.2%
  - Trading margin for the Asia segment slightly down at 7.0%
  - Trading margin for the e-commerce segment was down at -4.2%

- Simplified Group organization chart:

GROUPE Casino

FRANCE	
Casino France	100%
FP - LP	100%
Monoprix	100%

BRAZIL	
GPA Food	38.4% 32.8%
Via Varejo	16.7% 14.2%

LATIN AMERICA (excluding Brazil)	
Éxito (Colombia)	54.8%
Libertad (Argentina)	84,9% 54.8%
Devoto (Uruguay)	54.8%
Disco (Uruguay)	34.2%

ASIA	
Big C Thailand (Thailand)	58.6%
Big C Vietnam (Vietnam)	100%(1)

E-COMMERCE	
Cnova	57.1% 55.2%

% average economic interest in 2015(2) (first figure, orange)

% year-end economic interest (second figure, purple)

(1) *Including limited minority interests in operating subsidiaries below the wholly-owned holding company*
(2) *Average monthly interest held*

FRANCE RETAIL

in € millions	2014	2015
Net sales	**18,848**	**18,890**
EBITDA	**836**	**726**
EBITDA margin	***4.4%***	***3.8%***
Trading profit	**397**	**337**
Trading margin	***2.1%***	***1.8%***

Food retail sales in France amounted to €18,890 million in 2015 versus €18,848 in 2104. Organically excluding fuel and the calendar effect, sales were up +1.1% (+2.7% in Q4 2015). The second half of 2015 was marked by a recovery in sales growth.

France Retail trading profit was €337 million, down from 2014 taking into account the last significant price cuts primarily at Géant Casino and Leader Price. Monoprix and Franprix posted strong operating performance.
Property development activities posted similar EBITDA to the previous year with €167 million in 2015 and €162 million in 2014. In H2 2015, property development activities contributed for €86 m (including projects on 5 Monoprix sites sold to Mercialys) versus €93 m in H2 2014.

The trading margin for the food retail business in France was 1.8% in 2015.

Over the full year, the following can be noted per format:

- At **Géant Casino**(1), the year was marked by a recovery to sales growth at 2% on an organic and same-stores basis excluding fuel and calendar effect. Thanks to competitive pricing and continuing initiatives to strengthen its product range and offer enhanced in-store experience, the banner continuously gained market share(2) and posted strong volumes and customer traffic. In the second half, food sales were good and non-food sales were up on H1 2015.
- **Leader Price** sales grew +3.9% on an organic basis over the year of which +7.5% in Q4 2015 excluding fuel and calendar effect. Customer traffic has increased since Q2 2015 to reach +6.7% in Q4 2015. Leader Price continued its action plans to improve in-store service by fast checkout, extending opening hours and improving product ranges and targeted promotions.
- **Monoprix** posted continuing growth of food sales on a same-store basis in 2015. Textiles and household performed well thanks to numerous retail initiatives and designer collaborations throughout the year. Organic growth was driven by very highly dynamic expansion: 84 store openings (gross) in 2015. The buoyant format, Monop' and Naturalia, accelerated their development.
- **Casino Supermarkets** posted positive same-store sales since Q3 2015. Customer traffic was positive over the entire second half. The banner continued its initiatives to boost store attractiveness by improving customer comfort and launching a new loyalty program.
- **Franprix** posted positive same-store sales over the entire second half and maintained high profitability against a backdrop of heavy store redevelopment. The new Mandarine concept significantly improved customer traffic and sales in renovated stores.
- **Proximity** posted +7.0% same-store sales growth year-on-year excluding fuel and calendar effect. The banner continued the renovation of its consolidated stores and the franchise network showed strong momentum thanks to a more competitive offering and store renovations.

(1) *Excluding business primarily from Codim (4 hypermarkets) in Corsica*
(2) *Kantar*

LATAM RETAIL

in € millions	**2014**	**2015 at CER**	**2015**
Net sales	**15,422**	**17,033**	**14,714**
EBITDA	**1,215**	**1,148**	**993**
EBITDA margin	***7.9%***	***6.7%***	***6.7%***
Trading profit	**895**	**810**	**703**
Trading margin	***5.8%***	***4.8%***	***4.8%***

Latam Retail segment sales were €14,714 million in 2015, up 5.8% in organic terms excluding fuel and calendar effects.

In Brazil, GPA food sales grew steadily by +6.4% in organic terms excluding fuel and calendar effects (+7.1% disclosed as the subsidiary, including fuel and calendar effects). The Group continued adapting the format mix to changes in customer needs.
Multivarejo posted stable sales in organic terms in 2015 and continued its expansion into premium and proximity formats with the opening of 79 stores. The Group continued renovating Extra stores.
Assaí posted strong growth at +25.5% on an organic basis year-on-year with the opening of 11 stores for a total of 95 stores at year end 2015.

Exito (excluding Brazil) accelerated its growth with sales up +4.0% on an organic basis excluding fuel and calendar effects in 2015, of which +6.6% in Q4 2015. In 2015, Colombia continued its expansion with store openings (656 stores including 610 Surtimax Aliados) and continuing property development. Argentina and Uruguay posted strong growth.

Trading profit for Latam Retail remained healthy despite cost inflation put pressure on the margin for the year against a backdrop of weak growth in net sales. Margins remained high thanks to the many initiatives on margin and costs. Argentina and Uruguay posted very strong performance.

LATAM ELECTRONICS

in € millions	**2014**	**2015 at CER**	**2015**
Net sales	**7,245**	**6,150**	**5,187**
EBITDA	**737**	**396**	**334**
EBITDA margin	***10.2%***	***6.4%***	***6.4%***
Trading profit	**677**	**322**	**271**
Trading margin	***9.3%***	***5.2%***	***5.2%***

Latam Electronics segment sales were €5,187 million in 2015. Via Varejo sales were heavily impacted from the 2nd half of the year by the recession in the equipment goods sector in Brazil. Sales in Q4 2015 slipped less against 2014 than in previous quarters. The banner gained market shares in Q4 2015.

Trading profit of Latam Electronic was down versus 2014 at €271 million, impacted by the sharp contraction in activity since Q2 2015. Via Varejo implemented action plans to improve price competitiveness and boost the effectiveness of promotions, lower the operating cost base and close unprofitable stores. New management was implemented in October 2015.

ASIA

in € millions	2014	2015 at CER	2015
Net sales	**3,513**	**3,487**	**3,973**
EBITDA	**361**	**346**	**394**
EBITDA margin	***10.3%***	***9.9%***	***9.9%***
Trading profit	**255**	**243**	**277**
Trading margin	***7.2%***	***7.0%***	***7.0%***

Sales for Asia were €3,973 million versus €3,513 million in 2014, a rise of +13.1% as a result of favourable foreign exchange effects.
Thailand expanded strongly with a net 98 store openings, 69 of them in H2 2015. Property activities were on the right path in 2015 with +4.8%(1) growth in rental income in Q4 2015.
Vietnam continued its expansion in terms of stores and commercial galleries.

Trading profit in Asia improved versus 2014 to €277 million thanks to favourable exchange rates. Margin was down slightly by -27 bp. The Group has announced the planned disposal of its activities in Thailand and Vietnam.

E-COMMERCE (CNOVA)

in € millions	2014	2015
GMV (business volumes) reported by Cnova	**4,487**	**4,835**
EBITDA	**41**	**(104)**
Of which Cdiscount in France	**8**	**6**
Of which international sites	**(16)**	**(22)**
Of which Holdings	**(1)**	**(9)**
Of which Cnova Brazil	**50**	**(79)**

E-commerce gross merchandise volume (GMV) was €4,835 million, up 16.4% at constant exchange rates in 2015 thanks to high growth in marketplace activity accounting for 20.5% of total volumes.
In **France**, Cdiscount posted strong performance with +18.9% GMV growth and marketplace up 27.5% at year-end 2015. In Q4 2015, Cdiscount gained 130 bp market shares to reach 27.4%.
In **Brazil**, Cnova Brazil performance was impacted by the recession and by the discovery of fraud.

Cnova announced the disposal or closing of sites operating in the following countries: Thailand, Vietnam, Panama, and Ecuador, together with the closing of some vertical sites.

Cnova published its 2015 accounts including the temporary impact of the fraud detected in its logistics centers. Given the non-significant incidence of the latter on consolidated aggregates, the Group recognized the impact under the period's results in accordance with IAS8 without restating previous years : -€25m in EBITDA and -€23m in other operating expenses.

EBITDA for the e-commerce segment was negative in 2015. Operating performance at Cdiscount was satisfactory with a positive EBITDA in H2 2015. Performance in Brazil was impacted by the macroeconomic environment and by fraud detected at Cnova Brazil.

(1) Data disclosed as the subsidiary, local scope
(2) Mainly sold or closed

Comments on the Group's consolidated financial statements

Pursuant to Regulation (EC) 1606/2002 of the European Union of 19 July 2002, Casino Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted by the European Union on the date that the financial statements are approved by the Board of Directors, and applicable on 31 December 2015.
These standards are available on the European Commission website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

The accounting methods described in consolidated financial statements' appendices have been applied continuously across the periods presented in the consolidated financial statements, after taking into account the new standards and interpretations.
These amendments had no significant impact on the Group's statement of profits or financial position.
It should be noted that the Group had opted for early application of IFRIC interpretation 21 – Levies – for its annual consolidated financial statements for the year ended 31 December 2014.

Sales

Consolidated sales excluding taxes for 2015 amounted to €46,145 million, versus €48,493 million in 2014, a decline of -4.8%.
Changes in consolidation scope had a positive impact on sales of +1.4%. The foreign exchange impact was slightly unfavourable at -6.4%.
A more detailed review of changes in sales can be found above in the comments on the activity of each of the Group's five segments.

Trading profit

Trading profit in 2015 was €1,446 million, down -35.2% versus 2014.
Changes in consolidation scope had an impact of +2.0% and foreign exchange variations of -4.8%.
Restated for these impacts, organic trading profit was down by- 30.6%.
A more detailed review of changes in trading profit can be found above in the comments on the activity of each of the Group's five segments.

Operating profit

Other operating income and expenses amounted to a net expense of -€478 million in 2015 versus a net expense of -€494 million in 2014.

The net expense of €-478 million in 2015 mainly concerned:

- provisions and charges for restructuring totalling €309 million, including €193 million in France and €86 million in Brazil
- provisions and charges for taxes, contingencies and litigation totalling €131 million, mainly for GPA in Brazil (€148 million)
- net income related to consolidation scope transactions amounted to €47 million consisting mainly of the revaluation of the previously held percentage of Disco at its takeover in the amount of €262 million plus -€133 million in fees and ancillary expenses connected with the consolidation scope transactions

The net expense of -€494 million in 2014 mainly comprised:

- provisions and charges for restructuring totalling €197 million, including €34 million in Brazil
- provisions and charges for contingencies and litigation totalling €97 million, mainly for GPA in Brazil (€84 million)
- net expense related to consolidation scope transactions amounting to €136 million, including €31 million for GPA Group in Brazil, €47 million for French companies, and €26 million IPO expenses

After impact of other operating income and expenses, **operating profit** for 2015 was €967 million versus €1,736 million in 2014.

Financial income and Earnings before tax

Financial income for the period showed a net expense of €818 million (versus a net expense of €678 million in 2014). This comprised:

- net finance costs amounting to €569 million, an improvement of 11.1% compared with 2014 (€640 million)
- other financial expenses amounting to a net expense of €249 million (versus net expense of €38 million in 2014), impacted notably by the change in value of derivatives on the Group's activity subsidiaries (GPA equity: note 11.4 of consolidated financials statements' appendices)

Earnings before tax were €150 million in 2015 (versus €1,059 million in 2014).

Net profit, Group share

Income tax was €61 million, representing 40.9% of pre-tax income (versus €310 million in 2014). After restating for non-recurring items, the standard tax rate was 30.4%, versus 29.0% in 2014.

The share of profit of equity-accounted entities was €66 million (versus €77 million in 2014).

Non-controlling interests was €201 million versus €573 million in 2014. After restating for non-recurring items, income from non-controlling interests was €330 million versus €665 million in 2014.

Net profit, Group share of continuing operations was a loss of €47 million, down mainly as a result of previous price cuts in France and the downturn in Brazil.

Consolidated net profit, Group share was a loss of €43 million.

Underlying net profit, Group share from continuing operations was €412 million. Net profit restatements to establish underlying net profit can be found in the Notes.

Financial situation

Net financial debt of Casino group at 31 December 2015 stood at €6,073 million versus €5,733 million at 31 December 2014[1].

Net financial debt of Casino in France at 31 December 2015 amounted to €6,081 million, down 20% reflecting the reorganization of Group assets in Latin America.

Cash flow statement for Casino in France (in €m)	**2015**
Operating cash flow of the wholly-owned French activities after tax[2]	**838**
Net CAPEX	**(498)**
Dividends received from international subsidiaries and equity associates	**194**
Dividends paid, and coupons on preferred securities	**(400)**
Net financial expense paid	**(130)**
Free Cash Flow after financial expense and dividends	**6**

Cash flow from operating activities in France after tax amounted was €838 million and from dividends received was €194 million. It covers net capex (€498 million), financing costs (€130 million) and dividends paid to shareholders and holders of Casino's subordinated securities (€400 million).

As at 31 December 2015, **Casino in France**[3] had €5.5 billion cash and cash equivalents. This represents a significant **gross cash position** of €1.7 billion, and €3.9 billion in **confirmed undrawn credit facilities.** Outstanding commercial paper at the date amounted to €424 million.

Casino is rated BBB- by Standard & Poor's (on negative Credit Watch since 15 January 2016) and by Fitch Ratings (stable outlook)

The Group has announced a €4 billion **deleveraging plan** with the first stage scheduled for Q1 2016 with the disposal of Big C in Thailand for €3.1 billion (€3.3 billion including liabilities).

Group **equity capital** amounted to €12,419 million, versus €15,608 million at 31 December 2014 and €14,813 million at 30 June 2015.

(1) Before dividends received from equity associates and international subsidiaries, which are shown separately in this table
(2) The Group has reviewed in 2015 the definition of net financial debt mainly in view of net assets held for sale in connection with its debt reduction plan and debt of "minorities puts"
The 2014 NFD has been restated according to this new definition
(3) Casino in France: the scope includes Casino Guichard Perrachon, the parent company, the French business activities, and the wholly-owned holding companies

Perspectives and conclusions

The Group's **perspectives** are as follows:

- Significant deleveraging

The Group is accelerating its deleveraging and particularly in France* with the reorganization of the Group's structure in Latin America and the announcement of a disposal plan of about €4bn, of which the sale proceeds will be allocated to debt reduction of Casino in France*. The Group's subsidiaries in Latin America have strong balance sheets.

- Strategy of assets' rotation

The Group has been implementing a policy involving the ongoing purchase of key assets and disposal of mature assets for the past 10 years. As with the disposals of businesses in Thailand and Vietnam, these deals mostly took place after growth intensification phases resulting in maximization of asset value.

- Profitable growth in France

The Casino Group has leading positions based on diversified brands and formats in France, and is pursuing its strategy based on 3 formats that meet consumers' current and future needs: discount, premium, and proximity.

The Group has implemented plans to improve its profitability in 2016, based on a like-for-like growth assumption above +1.5% and target annual increases of over 100bp in its commercial margin, and of over 30bp in its costs which of c. 10bp of carry-over effect.

- In E-commerce, further growth and improvement of profitability

Continuation of growth on market with growth potential and reduction of losses with the objective of a better trading profit for Cdiscount in 2016 as compared to 2015 and an ambition to get Cnova Brazil EBITDA close to breakeven in 2016. In France, the Group pursuits the strong growth dynamics at Cdiscount. Internationally, Casino reduces losses and focuses on Cnova Brazil.

- Consolidation of leadership and growth in Latin America

Following the consolidation of its strategic position in 2012 and 2015, the Casino Group has leading positions in food retail and commercial real estate. In this region, the Group has access to 300m potential customers. The potential for the Group is strong both in retail and commercial real estate.

Listed subsidiaries each have disclosed their objectives and perspectives at the occasion of their annual results.

En 2016, the Group confirms the **following objectives** in 2016:

- France:
    - EBITDA of around €900 million
    - Trading profit of more than €500 million
    - Free cash flow(1) of at least €200m after financial expense and payment of the dividend(2)

(1) Casino Group holding company scope, including the French activities of wholly-owned subsidiaries
(2) Cash flow from operating activities in France after income tax –Capex of French activities + dividends received from international subsidiaries and equity associates – dividends paid (including coupons on hybrid debt) – net financing costs

Recent events

On 7 February 2016 the Group announced the sale of its 58.6% holding in Big C Thailand for a total €3.1 billion. The sale price was THB 252.88 per share. This transaction values Big C at 1.7 x sales and 16.8 x EBITDA. The transaction will take place on31 March 2016 at the latest.

The Group is also engaged in a **project to sell all the assets of Big C Vietnam**, specifically: 32 hypermarkets (with 29 shopping arcades), 10 local stores and cash & carry corner stores as at 31 December 2015, located in 15 of the 17 largest cities.

In January 2016, three private shareholders each filed a class action suit against Cnova N.V., certain of its executives and directors as well as the financial establishments underwriting its IPO in November 2014. The plaintiffs allege a breach of US securities laws. For two of the cases, proceedings were filed before the United States District Court for the Southern District of New York. The third case was filed before the New York State Supreme Court. The latter case was then referred to the United States District Court. Cnova N.V. stated that these complaints are groundless and that it intends to vigorously defend these allegations.

In light of the difficulties facing emerging countries and the recession in Brazil, Standard & Poor's intends to update Casino's credit rating. The agency accordingly placed the Group's BBB- rating on negative CreditWatch on 15 January 2016. Standard & Poor's is working with Casino's management to review its financial rating.

In mid-December 2015, Standard & Poor's and Fitch Ratings had both previously confirmed Casino as BBB- with Stable Outlook.

The expected improvement in operating performance in France in 2016 and the extent of the Group's planned programme of disposals are major factors that will strengthen its financial structure.

Independently of its disposals strategy, Casino has an excellent cash position, which will allow it to meet all of its debt repayment obligations in the years ahead.

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Appendix: Reconciliation of reported net profit with underlying net profit*

* Underlying net profit corresponds to net profit from continuing operations, adjusted for the impact of other operating income and expenses (as defined in the “Significant Accounting Policies” section of the notes to the annual consolidated financial statements), non-recurring financial items and non-recurring income tax expenses/benefits.

Non-recurring financial items include fair value adjustments to certain financial instruments at fair value whose market value may be highly volatile. For example, changes to fair value adjustments of financial instruments that do not qualify for hedge accounting and derivatives indexed to the Casino share price are excluded

Non-recurring income tax expense/benefits correspond to tax effects related directly to the above restatements and to direct non-recurring tax effects. In other words, the tax on underlying profit before tax is calculated at the standard average tax rate paid by the Group.
Underlying profit is a measure of the Group’s recurring profitability

in € millions	2014	Restated items	2014 underlying	**2015**	**Restated items**	**2015 underlying**
Trading profit	2,231		2,231	1,446		1,446
Other operating income and expenses	(494)	494		(478)	478	
Operating profit	1,736	494	2,231	967	478	1,446
Finance costs, net	(640)		(640)	(569)		(569)
Other financial income and expense(1)	(38)	58	20	(249)	344	95
Income tax expense(2)	(310)	(157)	(467)	(61)	(234)	(296)
Share in the profit of equity associates	77		77	66		66
Net profit from continuing operations	826	395	1,221	154	588	742
Attributable to minority interests (3)	573	93	665	201	128	330
o/w Group share	**253**	**303**	**556**	**(47)**	**459**	**412**

(1) The main items restated for other financial income and expenses are the effects of monetary updating of tax liabilities in Brazil (-€25m in 2014 and -€15m in 2015), fair value adjustments of Total Return Swaps on GPA and Big C shares, forwards and GPA call options (-€33m in 2014 and -€334m in 2015).
(2) Tax liabilities are restated for tax effects corresponding to the above restated financial items and non-recurring income tax expense/benefits.
(3) Non-controlling interests are restated for amounts associated with the above restated items.

CASINO, GUICHARD-PERRACHON

CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2015

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Consolidated income statement

(€ millions)	Notes	2015	2014
CONTINUING OPERATIONS			
Net sales	6.1	**46,145**	48,493
Cost of goods sold	6.2	**(34,980)**	(36,401)
Gross profit		**11,165**	**12,092**
Other income	6.1	**540**	568
Selling expenses	6.3	**(8,746)**	(8,857)
General and administrative expenses	6.3	**(1,514)**	(1,573)
Trading profit	5.1	**1,446**	**2,231**
as a % of net sales		***3.1%***	*4.6%*
Other operating income	6.5	**499**	244
Other operating expenses	6.5	**(977)**	(738)
Operating profit		**967**	**1,736**
as a % of net sales		***2.1%***	*3.6%*
Income from cash and cash equivalents		**166**	204
Finance costs		**(735)**	(844)
Net finance costs	11.4.1	**(569)**	(640)
Other financial income	11.4.2	**238**	152
Other financial expenses	11.4.2	**(487)**	(190)
Profit before tax		**150**	**1,059**
as a % of net sales		***0.3%***	*2.2%*
Income tax expense	9.1	**(61)**	(310)
Share of profit of equity-accounted entities	3.3.4	**66**	77
Net profit from continuing operations		**154**	**826**
as a % of net sales		***0.3%***	*1.7%*
attributable to owners of the parent		**(47)**	253
attributable to non-controlling interests		**201**	573
DISCONTINUED OPERATIONS			
Net profit (loss) from discontinued operations		**4**	**(2)**
attributable to owners of the parent		**4**	(2)
attributable to non-controlling interests		**-**	-
CONTINUED AND DISCONTINUED OPERATIONS			
Consolidated net profit		**158**	**824**
attributable to owners of the parent		**(43)**	251
attributable to non-controlling interests	12.8	**201**	573

Earnings per share

(in €)	Notes	2015	2014
From continuing operations attributable to owners of the parent	12.10.3		
Basic earnings per share		**(0.84)**	2.06
Diluted earnings per share(*)		**(1.22)**	1.68
From continuing and discontinued operations attributable to owners of the parent	12.10.3		
Basic earnings per share		**(0.81)**	2.04
Diluted earnings per share(*)		**(1.19)**	1.67

(*) In accordance with IAS 33, the calculation of diluted earnings per share takes account of the maximum dilutive effect of the Monoprix mandatory convertible bonds (MCB) issued on 27 December 2013. The Group holds a call option on these MCB. The maximum dilution, equivalent to €0.38 per share at end-December 2015, would be reduced to zero if the option were exercised.

Consolidated statement of comprehensive income

(€ millions)	**2015**	**2014**
Net profit for the year	**158**	**824**
Items that may subsequently be reclassified to profit or loss	**(2,874)**	**33**
Cash flow hedges	**-**	32
Foreign currency translation adjustments(*)	**(2,844)**	19
Available-for-sale financial assets	**-**	(12)
Net investment hedges in foreign operations	**(2)**	-
Share of items from associates and joint ventures that may subsequently be reclassified to profit or loss	**(30)**	-
Income tax	**2**	(7)
Items that will never be reclassified to profit or loss	**(23)**	**(1)**
Actuarial gains and losses	**(34)**	(2)
Income tax	**12**	1
Other comprehensive income (loss) for the year, net of tax	**(2,897)**	**31**
Total comprehensive income (loss) for the year, net of tax	**(2,739)**	**856**
Attributable to owners of the parent	**(1,269)**	*261*
Attributable to non-controlling interests	**(1,470)**	*595*

(*) The €2,844 million negative change in 2015 arose primarily from the depreciation of the Brazilian and Colombian currencies (€2,381 million and €414 million, respectively). The €19 million positive change in 2014 arose primarily from the offset between the depreciation of the Colombian currency (-€236 million) and the appreciation of the Thai and Brazilian currencies (€144 million and €69 million, respectively).

Movements in each period are shown in Note 12.7.2.

Consolidated statement of financial position

ASSETS (€ millions)	Notes	2015	2014
Goodwill	10.1	**10,351**	11,009
Intangible assets	10.2	**3,622**	4,289
Property, plant and equipment	10.3	**8,769**	9,643
Investment property	10.4	**771**	667
Investments in associates and joint ventures	3.3	**629**	897
Other non-current assets	6.9	**1,858**	2,244
Deferred tax assets	9.2.1	**490**	366
Total non-current assets		**26,490**	**29,115**
Inventories	6.6	**4,884**	5,311
Trade receivables	6.7	**1,287**	1,513
Other current assets	6.8	**1,857**	1,786
Current tax assets		**189**	161
Cash and cash equivalents	11.1	**4,588**	7,359
Assets held for sale	3.5	**538**	36
Total current assets		**13,343**	**16,165**
TOTAL ASSETS		**39,833**	**45,280**

EQUITY AND LIABILITIES (€ millions)	Notes	2015	2014
Share capital		**173**	173
Additional paid-in capital, treasury shares and retained earnings		**5,709**	7,534
Equity attributable to owners of the parent		**5,883**	**7,707**
Non-controlling interests		**6,536**	**7,901**
Total equity	12	**12,419**	**15,608**
Non-current provisions for employee benefits	8.2	**307**	292
Other non-current provisions	13.1	**538**	719
Non-current financial liabilities	11.2	**9,594**	9,186
Non-current put options granted to owners of non-controlling interests	3.4.1	**50**	38
Other non-current liabilities	11.3	**786**	745
Deferred tax liabilities	9.2.2	**1,225**	1,423
Total non-current liabilities		**12,500**	**12,402**
Current provisions for employee benefits	8.2	**9**	-
Other current provisions	13.1	**187**	169
Trade payables		**8,073**	8,324
Current financial liabilities	11.2	**2,140**	4,501
Current put options granted to owners of non-controlling interests	3.4.1	**102**	24
Current tax liabilities		**93**	106
Other current liabilities	11.3	**4,126**	4,147
Liabilities associated with assets held for sale	3.5	**184**	-
Total current liabilities		**14,914**	**17,270**
TOTAL EQUITY AND LIABILITIES		**39,833**	**45,280**

Consolidated statement of cash flows

(€ millions)	2015	2014
Consolidated net profit	**158**	**824**
Depreciation, amortisation and provisions	**1,031**	1,011
Unrealised (gains)/losses arising from changes in fair value	**261**	56
(Income)/expenses on share-based payment plans (see Note 8.3.1)	**9**	25
Other non-cash items	**26**	41
(Gains)/losses on disposal of non-current assets	**2**	77
(Gains)/losses due to changes in percentage ownership of subsidiaries resulting in the gain/loss of control or of non-controlling interests	**(263)**	(6)
Share of (profit)/loss of equity-accounted entities (see Note 3.3.4)	**(66)**	(77)
Dividends from associates and joint ventures (see Notes 3.3.1 and 3.3.3)	**128**	64
Cash flows from operating activities before change in working capital, net finance costs and income tax	**1,286**	**2,015**
Net finance costs (excluding changes in fair value)	**602**	631
Current and deferred tax expenses (see Note 9.1)	**63**	310
Income tax paid	**(228)**	(424)
Change in working capital (see Note 4.1)	**1,198**	343
Net cash from operating activities	**2,921**	**2,874**
Cash outflows related to acquisitions of:		
▪ property, plant and equipment, intangible assets and investment property	**(1,488)**	(1,529)
▪ non-current financial assets	**(64)**	(15)
Cash inflows related to disposals of:		
▪ property, plant and equipment, intangible assets and investment property	**161**	64
▪ non-current financial assets	**7**	3
Effect of changes in scope of consolidation resulting in the gain or loss of control (see Note 4.2)	**(160)**	(101)
Effect of changes in scope of consolidation related to joint ventures and associates	**-**	(34)
Change in loans and advances granted	**-**	1
Net cash used in investing activities	**(1,545)**	**(1,611)**
Dividends paid:		
▪ to owners of the parent (see Note 12.9)	**(352)**	(353)
▪ to non-controlling interests (see Note 12.8)	**(170)**	(122)
▪ to holders of deeply-subordinated perpetual bonds (see Note 12.9)	**(48)**	(27)
Increase/(decrease) in the parent's share capital	**1**	4
Transactions between the Group and owners of non-controlling interests (see Note 4.3)	**17**	(259)
(Purchases)/sales of treasury shares	**(82)**	(11)
Additions to financial debt	**3,201**	3,616
Repayments of financial debt	**(4,911)**	(1,348)
Interest paid, net	**(648)**	(639)
Net cash from/(used in) financing activities	**(2,992)**	**861**
Effect of movements in exchange rates on cash held	**(1,047)**	**(37)**
Change in cash and cash equivalents	**(2,663)**	**2,087**
Net cash and cash equivalents at beginning of period	**7,197**	5,110
▪ Net cash and cash equivalents from operations held for sale	**-**	-
Reported cash and cash equivalents at beginning of period (see Note 11.1)	**7,197**	**5,110**
Net cash and cash equivalents at end of period	**4,534**	7,197
▪ Net cash and cash equivalents from operations held for sale (see Note 3.5)	**(129)**	-
Net reported cash and cash equivalents at end of period (see Note 11.1)	**4,405**	**7,197**

Consolidated statement of changes in equity

(€ millions) (before appropriation of profit)	Share capital	Additional paid-in capital (1)	Treasury shares	Perpetual deeply subordinated bonds (TSSDI)	Retained earnings and profit for the year	Cash flow hedges	Net investment hedges	Foreign currency translation adjustments	Actuarial gains and losses	Available-for-sale financial assets	Equity attributable to owners of the parent (2)	Non-controlling interests	Total equity
As at 1 January 2014	**173**	**4,088**	**(1)**	**1,350**	**2,937**	**(6)**	**(31)**	**(773)**	**(30)**	**19**	**7,726**	**7,750**	**15,476**
Other comprehensive income (loss) for the year	-	-	-	-	-	21	-	(3)	(1)	(8)	9	22	31
Net profit (loss) for the year	-	-	-	-	251	-	-	-	-	-	251	573	824
Consolidated comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**251**	**21**	**-**	**(3)**	**(1)**	**(8)**	**261**	**595**	**856**
Issue of share capital	-	4	-	-	-	-	-	-	-	-	4	-	4
Purchases and sales of treasury shares	-	-	(1)	-	(7)	-	-	-	-	-	(8)	-	(8)
Dividends paid (3)	-	-	-	-	(371)	-	-	-	-	-	(371)	(88)	(459)
Dividends payable to perpetual deeply subordinated bond holders and owners of non-controlling interests in GPA (3)(4)	-	-	-	-	(6)	-	-	-	-	-	(6)	(76)	(82)
Share-based payments	-	-	-	-	4	-	-	-	-	-	4	21	25
Cnova initial public offering	-	-	-	-	213	-	-	(29)	-	-	184	(71)	113
Exercise of the call option for 3.4% of GPA shares (see Note 3.2.1)	-	-	-	-	(16)	-	-	(55)	-	-	(71)	(244)	(315)
Other changes in percentage interest not resulting in the gain or loss of control of subsidiaries	-	-	-	-	(21)	-	-	3	-	-	(18)	13	(5)
Other movements	-	-	-	-	2	-	-	-	-	-	2	2	4
As at 31 December 2014	**173**	**4,092**	**(2)**	**1,350**	**2,987**	**15**	**(31)**	**(858)**	**(31)**	**11**	**7,707**	**7,901**	**15,608**
Other comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**	**(1,202)**	**(23)**	**-**	**(1,226)**	**(1,671)**	**(2,897)**
Net profit (loss) for the year	**-**	**-**	**-**	**-**	**(43)**	**-**	**-**	**-**	**-**	**-**	**(43)**	**201**	**158**
Consolidated comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**(43)**	**-**	**(1)**	**(1,202)**	**(23)**	**-**	**(1,269)**	**(1,470)**	**(2,739)**
Issue of share capital	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**1**
Purchases and sales of treasury shares	**-**	**-**	**(78)**	**-**	**(2)**	**-**	**-**	**-**	**-**	**-**	**(81)**	**-**	**(81)**
Dividends paid (3)	**-**	**-**	**-**	**-**	**(394)**	**-**	**-**	**-**	**-**	**-**	**(394)**	**(94)**	**(488)**
Dividends payable to perpetual deeply subordinated bond holders (3)	**-**	**-**	**-**	**-**	**(5)**	**-**	**-**	**-**	**-**	**-**	**(5)**	**-**	**(5)**
Share-based payments	**-**	**-**	**-**	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**2**	**7**	**9**
Changes in percentage interest resulting in the gain or loss of control of subsidiaries (5)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**157**	**157**
Changes in percentage interest not resulting in the gain or loss of control of subsidiaries (6)	**-**	**-**	**-**	**-**	**(73)**	**-**	**-**	**(1)**	**-**	**-**	**(75)**	**36**	**(38)**
Other movements	**-**	**-**	**-**	**-**	**(1)**	**(3)**	**-**	**-**	**-**	**-**	**(4)**	**(1)**	**(5)**
As at 31 December 2015	**173**	**4,093**	**(80)**	**1,350**	**2,469**	**13**	**(31)**	**(2,061)**	**(54)**	**12**	**5,883**	**6,536**	**12,419**

(1) Additional paid-in capital: premiums on shares issued for cash or contribution in kind, or in connection with mergers or acquisitions, and legal reserves.
(2) Attributable to the shareholders of Casino, Guichard-Perrachon.
(3) See Note 12.9 for dividends paid and to be paid to holders of ordinary shares and perpetual deeply subordinated bonds. Dividends paid to non-controlling interests during the year primarily concern the entities Éxito, Big C and GPA and amount to €41 million, €23 million and €20 million, respectively (€37 million, €22 million and €19 million, respectively, in 2014).
(4) In 2014, the negative impact of €76 million corresponded to the minimum dividends to be paid to GPA and Via Varejo shareholders, in accordance with Brazilian law.
(5) Relating primarily to the acquisition of full control of Disco (see Note 3.1.1).
(6) The negative change of €38 million corresponds primarily to the (i) the impact of the €90 million put option on Disco shares (see Note 3.1.1); (ii) the change in put options granted to owners of non-controlling interests in Franprix – Leader Price for €15 million offset by (iii) the impact of the change in the ownership interest of Monoprix in its subsidiary Simonop'1 for €72 million (see Note 3.1.6).

CONSOLIDATED FINANCIAL STATEMENTS

DETAILED SUMMARY OF NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

REPORTING ENTITY CASINO GROUP, GUICHARD-PERRACHON

Casino, Guichard-Perrachon is a French company (*société anonyme*), listed on compartment A of Euronext Paris. The Company and its subsidiaries will hereinafter be referred to as “the Group” or “the Casino Group”. The Company’s registered office is at 1, Esplanade de France, 42008 Saint-Etienne, France.

The consolidated financial statements for the year ended 31 December 2015 reflect the accounting situation of the Company and its subsidiaries, as well as the Group’s interests in associates and joint ventures.

The 2015 consolidated financial statements of Casino, Guichard-Perrachon were approved for publication by the Board of Directors on 8 March 2016.

Note 1 Significant accounting policies

1.1 Accounting standards

Pursuant to European Commission regulation 1606/2002 of 19 July 2002, the consolidated financial statements of the Casino Group have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union on the date of approval of the financial statements by the Board of Directors and applicable as at 31 December 2015.

These standards are available on the European Commission’s website (http://ec.europa.eu/finance/company-reporting/index_en.htm).

The accounting policies set out below have been applied consistently to all periods presented, after taking account of the new standards and interpretations listed below.

These amendments had no material impact on the Group’s financial performance or position.

It is reminded that the Group had applied interpretation IFRIC 21 – Levies in its consolidated financial statements for the year ended 31 December 2014.

Standards, amendments to standards, and interpretations adopted by the European Union and mandatory for financial year beginning on 1 January 2015

- Annual improvements to IFRS standards 2011-2013 cycle: These amendments to the standard shall be applied prospectively. The standards concerned are:
  - IFRS 3 – Business Combinations:
    This amendment clarifies the following:
    - *The creation of all forms of partnerships as defined by IFRS 11 – Joint arrangements (i.e. joint ventures and joint operations) is excluded from the scope of IFRS 3;*
    - *This exclusion applies only to the financial statements of joint ventures or joint operations.*
  - IFRS 13 – Fair Value Measurement:
    This amendment clarifies that the exception of IFRS 13 which allows the fair value of a group of financial assets and liabilities to be measured on a net basis applies to all contracts within the scope of IAS 39 – Financial Instrument - Recognition and Measurement or IFRS 9 – Financial Instruments, regardless of whether they meet the meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments - Presentation.

- IAS 40 – Investment Property.
  This amendment clarifies the following:
  - *The use of judgement is necessary for determining whether the acquisition of an investment property consists in the acquisition of an asset, a group of assets or a business combination that falls under the scope of IFRS 3 – Business Combinations;*
  - *This judgement must be based on the measures contained in IFRS 3 – Business Combinations.*

1.2 Basis of preparation and presentation of the consolidated financial statements

1.2.1 Basis of evaluation

The consolidated financial statements have been prepared using the historical cost convention, with the exception of the following:

- assets and liabilities re-measured at fair value pursuant to a business combination, in accordance with the principles set out in IFRS 3;
- derivative financial instruments and available-for-sale financial assets, which are measured at fair value. The carrying amounts of assets and liabilities hedged by a fair value hedge, which would otherwise be measured at cost, are adjusted for changes in the fair value attributable to the hedged risk.

The consolidated financial statements are presented in millions of euros. The figures in the tables have been rounded to the nearest million euros and include individually rounded data. Consequently, the totals and sub-totals may not correspond exactly to the sum of the reported amounts.

1.2.2 Use of estimates and judgments

The preparation of consolidated financial statements requires the use of estimates and assumptions that affect the reported amount of certain assets and liabilities and income and expenses, as well as the disclosures made in certain notes to the consolidated financial statements. Due to the inherent uncertainty of assumptions, actual results may differ from the estimates. Estimates and assessments are reviewed at regular intervals and adjusted where necessary to take into account past experience and any relevant economic factors.

The main estimates and assumptions are based on the information available when the financial statements are drawn up and concern the following:

- re-measurement of the interest previously held in Disco and non-controlling interests (see Note 3.1.1);
- impairment of non-current assets and goodwill (see Note 10.5);
- recoverable amounts of deferred tax assets (see Note 9);
- provisions for risks, primarily tax and social security, as well as the recoverable amount of the tax credits or taxes (VAT and similar) (see Note 13);
- determination of the fair value of investment property (see Note 10.4);
- modification of the useful lives of property, plant and equipment (see below).

In accordance with IAS 16, the Group has revised the useful lives of certain categories of property, plant and equipment (including the structure of buildings, refrigeration facilities and electrical installations). Given that it is a change in estimate, the revision was applied prospectively.

Note 2 Significant events of the year

Highlights of the year included:

- **New organisation of Group businesses in Latin America**

The Casino Group has changed its organisation by grouping together all its businesses in Latin America around the Colombian subsidiary Éxito. On 20 August 2015, the Group sold the following to Éxito:

- 50% of the capital of Segisor (a French holding company) which owns shares with voting rights in its Brazilian subsidiary GPA, representing approximately 18.8% of the company's capital;
- 100% of Libertad, a subsidiary of the Group in Argentina.

Following this transaction, Éxito fully consolidate all the businesses owned by the Casino Group in Latin America (Brazil, Colombia, Argentina and Uruguay). The Casino Group, which has a 54.8% stake in Éxito, remains its controlling shareholder and continues to fully consolidate Exito and its subsidiaries (which now include GPA and Libertad).

The transaction amounted to $1,829 million (€1,629 million).

On the date of the transaction, given that this reorganisation took place between fully consolidated companies, there was no impact on the consolidated accounts of the Casino Group. As from this date, the Group's share in the net income of GPA, Via Varejo, Cnova and Libertad resulting from the dilution related to Éxito's non-controlling interests was 32.8%, 14.2%, 55.1% and 54.8%, respectively, and 41.3%, 17.9%, 58.1% and 100%, respectively, before the transaction. Costs and tax impacts related to the transaction, amounting to €71 million, were recognised under "Other operating expenses" (see Note 6.5).

- **Deleveraging plan**

On 15 December 2015, the Group announced that it had decided to reinforce its financial flexibility with a more than €2 billion deleveraging plan in 2016. This is to be done primarily through property development transactions and disposals of non-strategic assets, including in particular the planned disposal of the Group's businesses in Vietnam (see Note 3.5). On 14 January 2016, the plan was raised to €4 billion as a result of the sale of its subsidiary BIG C Thailand. The signing of the sale contract was announced on 7 February 2016 (see Note 15).

- **Alliance with DIA**

The Casino and DIA groups have entered into an international strategic alliance for purchasing and services that is now operational with the exception of the Latin American part, which are subject to the approval of the relevant local competition authorities, and will be supported by a joint venture ICDC Services. The investment of the Casino Group in this new company does not have a significant impact on the consolidated statement of financial position and income statement in 2015.

- **Irregularities discovered in the subsidiary Cnova Brazil**

On 18 December 2015, the Board of Directors of Cnova announced that it was appointing independent consultants to help it carry out an investigation, mainly concerning alleged irregularities supposed to have been committed by employees during the management of the inventory returns of its Brazilian subsidiary in its distribution centers. During this investigation, the subsidiary also identified anomalies relating to the amounts of trade payables and receivables related to goods in transit with carriers.

In the current state of the investigation, which is still ongoing, the main accounting impacts that Cnova has disclosed are as follows:

- Net sales and trade receivables: Cnova's management has identified a valuation of net sales in excess of €30 million and associated receivables net of impairment losses of €20 million due to the non-cancellation of a second sale when an alternative product is sent to the client after a damaged or defective product has been received.
- Inventories: the management of Cnova appointed independent consultants, assisted by Cnova Brazil employees, to carry out a complete physical inventory of the seven Cnova Brazil distribution centers as at 31 December 2015. Although the findings of this inventory did not reveal any significant anomaly with respect to the expected quantities in stock, it led the Cnova management to recognise an additional impairment of damaged/returned product stocks of €13 million for the 2015 financial year.
- Trade payables and others: the management discovered that some Cnova Brazil accountants had deliberately prepared written reports and recorded incorrect trade payables at the request of former Cnova Brazil employees. Consequently, it adjusted the amount of its trade payables upwards by €15 million.

Casino considered that the share of these adjustments corresponding to errors on prior years is not sufficiently material to justify the restatement of previously published financial statements. The impacts described above were recognised under trading profit for the portion relating to the year ended 31 December 2015 for €25 million, while €23 million was recognised under other operating expenses for the portion relating to prior years.

Other significant changes in Group structure in 2015

- Acquisition of control of the Uruguayan subsidiary Disco (see Note 3.1.1);
- Acquisition of control of 29 additional Super Inter stores as a result of the exercise of the call option by Éxito (see Note 3.1.2);
- Changes in scope within the Franprix-Leader Price subgroup (see Note 3.1.3);
- Asset exchange agreements between Éxito and Caja de Compensación Familiar - CAFAM (Cafam) (see Note 3.1.4);
- Creation of SCI Simonop'1 and entrance to the capital of investors (see Note 3.1.6);

Note 3 Scope of consolidation

Accounting principles

Basis of consolidation

The consolidated scope presented in Note 16 includes the financial statements of all material subsidiaries, joint ventures and associates over which the parent company exercises control, joint control or significant influence, either directly or indirectly.

Subsidiaries

Subsidiaries are companies controlled by the Group. Control exists when the Group (i) has the power over the entity, (ii) is exposed or has rights to variable returns from its involvement with the entity, and (iii) has the ability to affect those returns through its power over the entity.
The consolidated financial statements include the financial statements of subsidiaries from the date when control is acquired to the date at which the Group no longer exercises control. All controlled companies are fully consolidated in the Group’s balance sheet, regardless of the percentage interest held.

Potential voting rights

Control must be assessed by taking potential voting rights into account, but only if they are substantive; that is, if the entity has the practical ability to exercise its rights with respect to the exercise price, date and terms.
The Group may own share warrants, share call options, debt or equity instruments that are convertible into ordinary shares or other similar instruments that have the potential, if exercised or converted, to give the Group voting power or reduce another party’s voting power over the financial and operational policies of an entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control of another entity. Potential voting rights are not currently exercisable or convertible when, for example, they cannot be exercised or converted until a future date or until the occurrence of a future event.

Joint ventures

A joint venture is a joint arrangement in which the parties that exercise joint control over an entity have rights to its net assets. Joint control involves the contractually agreed sharing of control over an entity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
Joint ventures are accounted for in the consolidated financial statements using the equity method.

Associates

Associates are companies in which the Group exercises significant influence over financial and operational policies without having control. They are accounted for in the consolidated financial statements using the equity method.

Equity method of accounting

The equity method provides that an investment in an associate or a joint venture be recognised initially at acquisition cost and subsequently adjusted by the Group's share in profit or loss and, where appropriate, in other comprehensive income of the associate or joint venture. Goodwill related to these entities is included in the carrying amount of the investment. Any impairment losses and gains or losses on disposal of investments in equity-accounted entities are recognised in "Other operating income and expenses".
Profits/losses from internal acquisitions or disposals with equity-accounted associates are eliminated within the limit of the percentage of the Group's interest in these companies. The Group follows a transparent approach to consolidate associates under the equity method and takes into account, if relevant, the final percentage held by the Group in order to determine the proportion of profit (loss) to eliminate.
With no standard or interpretation applicable to the dilution of the Group in a subsidiary of an equity-accounted company, the impact of a dilution is recognised as a share of profit (loss) of associates and joint ventures.

Business combinations

As required by IFRS 3 revised, the consideration transferred (acquisition price) in a business combination is measured at the fair value of the assets transferred, equity interests issued and liabilities incurred on the date of the transaction. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values. Acquisition-related costs are recognised in "Other operating expenses", except for those related to the issue of equity instruments.

Any excess of the consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed is recognised as goodwill. At the date of acquisition of control and for each business combination, the Group may elect either for a partial goodwill (limited to the share acquired by the Group) or for a full goodwill. Under the full goodwill method, non-controlling interests are measured at fair value and goodwill is recognised on the full amount of the identifiable assets acquired and liabilities assumed.
Business combinations completed prior to 1 January 2010 were accounted for using the partial goodwill method, the only method applicable before IFRS 3 as revised.

In case of acquisition by stages, the previous interest held is re-measured to fair value as at the date control is acquired. The difference between the fair value and the net carrying amount of this equity interest is recognised directly in profit or loss ("Other operating income" or "Other operating expenses").
The provisional amounts recognised on the acquisition date may be adjusted retrospectively if the information needed to revalue the assets acquired and the liabilities assumed corresponds to the new information obtained by the buyer and concerns facts and circumstances that existed as of the acquisition date. Goodwill may not be adjusted after the measurement period (a maximum of 12 months after the date control is obtained over the entity acquired). The subsequent acquisition of non-controlling interests does not give rise to the recognition of additional goodwill.

Any contingent consideration is included in the consideration transferred at its acquisition-date fair value and whatever the likelihood of occurrence. Subsequent changes in the fair value of contingent consideration due to facts and circumstances that existed as of the acquisition date are recorded by adjusting goodwill if they occur during the measurement period or directly in profit or loss for the period under "Other operating income" or "Other operating expenses" if they arise after the measurement period, unless the obligation is settled in equity instruments. In that case, the contingent consideration is not re-measured subsequently.

Foreign currency translation

The consolidated financial statements are presented in euros, the functional currency of the Group's parent company. Each Group entity determines its own functional currency and all of their financial transactions are measured in that currency.

The financial statements of subsidiaries that use a different functional currency from that of the parent company are translated according to the closing rate method:

- assets and liabilities, including goodwill and fair value adjustments, are translated into euros at the closing rate, corresponding to the spot exchange rate at the reporting date;
- income statement and cash flow items are translated into euros using the average rate of the period unless significant variances occur.

The resulting translation differences are recognised directly within a separate component of equity. When a foreign activity is disposed of, the cumulative amount of the translation differences in equity relating to that activity is reclassified to profit or loss.

Foreign currency transactions are translated into euros using the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate and the resulting translation differences are recognised in the income statement under “Foreign currency exchange gains” or “Foreign currency exchange losses”. Non-monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable at the transaction date.

Translation differences arising on the translation of a net investment in a foreign activity are recognised in the consolidated financial statements as a separate component of equity and reclassified to profit or loss on disposal of the net investment.

Translation differences arising on the translation of foreign currency borrowings hedging a net investment denominated in a foreign currency or on permanent advances made to subsidiaries are also recognised in equity and then reclassified in profit or loss on disposal of the net investment.

3.1 Changes in Group structure in 2015

3.1.1 Acquisition of control of the Uruguayan subsidiary Disco

Éxito exercised joint control over the subgroup Disco in which it held a 62.49% interest. This subgroup was therefore accounted for using the equity method until 31 December 2014.

Following the signing of a contractual agreement granting it over 75% of voting rights and consequently exclusive control over strategic decisions, Éxito took control of the subgroup Disco as from 1 January 2015.

The change in accounting method from the equity method at 62.49% (percentage of Éxito’s holding) to full consolidation (no change in the percentage of interest) resulted in the recognition, in accordance of IFRS 3, of a €262 million gain from the re-measurement of the interest previously held which was recognised under “Other operating income” (see note 6.5). The measurement of Disco was performed by an independent expert on the basis of a multi-criteria analysis (discounted cash flow and market multiples method).

The statement of financial position of the Disco subgroup and the goodwill generated are as follows:

(€ millions)	As at 1 January 2015
Intangible assets	36
Property, plant and equipment	149
Investment property	24
Other non-current assets	8
Deferred tax assets	10
Inventories	37
Trade receivables	21
Other assets	25
Cash and cash equivalents	49
Total assets	**358**
Other non-current liabilities	4
Deferred tax liabilities	22
Current financial liabilities	1
Trade payables	75
Other current liabilities	36
Total liabilities	**139**
Fair value of net identifiable assets and liabilities at 100% (A)	**218**
Fair value of the previously-held 62.49% interest (B)(*)	**368**
Fair value of non-controlling interests (full goodwill method) (C)(*)	**155**
Goodwill (B+C-A)	**304**

(*) Non-controlling interests were measured at their fair value, which included a discount for the absence of control and restriction attached to the disposal of securities

As at 31 December 2015, the main fair value adjustments concerned the recognition of trademarks (€36 million), real estate assets (€86 million) and net deferred tax liabilities attached (€20 million).
Measurement of the fair value of identifiable assets and liabilities resulted in the recognition of €304 million in goodwill allocated to the Uruguay CGU.

The contributions of the activities of the Disco subgroup to the Casino Group sales and consolidated net profit (excluding gain from the re-measurement of the interest previously held) for the period between 1 January 2015 and 31 December 2015 were €436 million and €33 million, respectively. The costs resulting from the acquisition are not significant.

Furthermore, the Group has granted a put option on 29.8% of Disco's capital to the family shareholders. The option is exercisable until 21 June 2021. Its price is based on the Disco subgroup's consolidated operating profit, with a minimum price of US$41 million plus interest at 5% per year. The valuation of this put option was €90 million as at 31 December 2015 (note 3.4.1).

3.1.2 Exercise of the call option on Super Inter stores

On 15 April 2015, Éxito exercised a call option that enabled it to acquire 29 Super Inter stores operated by Éxito since October 2014 as well as the Super Inter brand. Although it was an independent transaction, it finalises Exito's acquisition of control of the Super Inter network. The acquisition price was COP343,920 million (€124 million) of which COP284,173 million (€99 million) paid as at 31 December 2015.
The fair value of the identifiable assets and liabilities of these stores was determined by an independent expert as at the date of acquisition are summarised below:

(€ millions)	**As at 1 April 2015**
Super Inter brand	**23**
Property, plant and equipment	**7**
Total assets	**30**
Fair value of net identifiable assets and liabilities at 100% (A)	**30**
Acquisition price (B)	**124**
Goodwill (B-A)	**95**

This goodwill of €95 million which is tax-deductible is allocated to the CGU Colombia; it is attributed to access to a new customer base and economies of scale resulting from the combined businesses of Éxito and Super Inter. The costs resulting from the acquisition are not significant.

3.1.3 Changes in scope relating to the Franprix-Leader Price subgroup

In 2015, Franprix – Leader Price took control of the following subgroups:

- The Europrice subgroup for which Franprix – Leader Price had granted a put option on 99.99% of its capital. The amount disbursed for this acquisition was €18 million, generating provisional goodwill of €11 million.

- The Leader Centre Gestion subgroup for which Franprix – Leader Price had granted a put option on 51% of its capital. The amount disbursed for this acquisition was €14 million. Since this subgroup was previously equity-accounted in the consolidated financial statement of the Casino Group, the re-measurement, in accordance with IFRS 3, of the interest previously held generated a loss of €2 million. The transaction generated provisional goodwill of €18 million.

- The Parfidis subgroup for which Franprix – Leader Price had granted a put option on 64% of its capital. The amount disbursed for this acquisition was €21 million. Since this subgroup was previously equity-accounted in the consolidated financial statement of the Casino group, the re-measurement, in accordance with IFRS 3, of the interest previously held generated a gain of €4 million. The transaction generated provisional goodwill of €26 million.

The contribution of the activities of the Europrice and Leader Centre Gestion subgroups to the Casino Group net sales and pre-tax profit for the period between 1 June and 31 December 2015 were €57 million and -€2 million, respectively. The contribution of the activities of the Parfidis subgroup to Casino Group net sales and pre-tax profit for the period between 1 July and 31 December 2015 were €27 million and -€9 million, respectively. Had these acquisitions been made on 1 January 2015, the additional contribution to net sales and pre-tax profit would have been €66 million and -€3 million, respectively.

The costs related to these acquisitions are not significant.

Furthermore, as part of the franchisees redeployment projects at Franprix – Leader Price, in the second half of 2015, the subsidiary recognised the disposal to two master franchisees of a group of Franprix and Leader Price stores that was loss-making under the integrated management mode. The disposal of a 51% interest generated a net impact of -€58 million recognised under "Other operating expenses".
Had these disposals been carried out on 1 January 2015, the impact on net sales would have been -€51 million and there would have been no impact on pre-tax profit.
Simultaneously, these master franchisees acquired a 49% interest in a group of profit-making Franprix and Leader Price stores. These disposals without loss of control had an impact of -€52 million on equity attributable to owners of the Group's parent and +€52 million on non-controlling interests.

3.1.4 Asset exchange agreements between Éxito and Cafam

In September 2010, Éxito and "La Caja de Compensación Familiar – Cafam" signed an agreement, allowing Éxito to operate stores held by Cafam on one hand, and allowing Cafam to operate drugstores held by Éxito on the other hand.

On 23 February 2015, the two parties signed an agreement that provides for the following:

- The acquisition by Éxito of stores that belonged to Cafam but had been operated by Éxito since September 2010. The amount disbursed for this acquisition was €44 million, generating an equivalent amount of deductible goodwill.
- The sale to Cafam of drugstores owned by Éxito, some of which had been operated by Cafam since September 2010, for a total of €27 million recognised under "Other operating income";
- The termination of the operating contract that had been signed in September 2010.

The costs resulting from the acquisition are not significant.

The conditions precedent including the approval of the competition authorities were lifted on 27 May 2015.

3.1.5 Acquisition of non-controlling interests in Lanin

On 26 February 2015, following the exercise of put options, the Group acquired all the non-controlling interests in Lanin (3.18%), a holding company that owns all the shares in Devoto, an operator of stores in Uruguay. The amount disbursed for this acquisition was €17 million (see Note 4.3).

3.1.6 Creation of SCI Simonop'1 and entrance to the capital of investors

In October 2015, Monoprix and two of its subsidiaries created SCI Simonop’1. Subsequently, on 22 December 2015, Monoprix and two of its subsidiaries transferred 11 property assets valued at €138 million, which housed Monoprix supermarkets as contributions in kind. On the same date, 49% of Simonop’1 shares were sold to three property development companies managed by the management company Ciloger for a total price of €73 million (see Note 4.3) leading to an impact of €72 million on equity (including €4 million of equity attributable to owners of the parent).

3.2 Changes in Group structure in 2014

3.2.1 Change in percentage interest in GPA

- **Exercise of call option**

On 4 April 2014, Casino acquired 8,907,123 preference shares of GPA after exercising a call option purchased in July 2012.
The amount disbursed for this acquisition amounted to €330 million (see Note 4.3), with a negative impact of €71 million on equity attributable to owners of the parent.

- **Exercise of stock options**

The exercise of GPA stock options in the first half of 2014 had a negative impact of €6 million on equity attributable to owners of the parent.

These two transactions among shareholders had been recognised directly in equity, bringing Casino's interest in GPA to 41.32% as at 31 December 2014.

3.2.2 Franprix-Leader Price subgroup transactions

After obtaining approval from the French Competition Authority, the Franprix-Leader Price group took control of the 46 Le Mutant stores on 8 March 2014. The amount disbursed for this acquisition was €32 million, generating a goodwill of €17 million.

In 2014, Franprix-Leader Price also took control of various companies operating 26 stores under the Franprix and Leader Price banners. The amount disbursed for these acquisitions was €22 million, generating goodwill of €25 million.

Had these acquisitions been made on 1 January 2014, the additional contribution to net sales and pre-tax profit would have been €76 million and -€5 million, respectively.

3.2.3 Monshowroom (e-commerce segment)

The main effect of the updating of the fair value of the identifiable assets and liabilities was to revalue the brand by €6 million and customer relations by €1 million. The definitive goodwill of Monshowroom (E-Trend company) was thus €22 million.
In addition, Cdiscount Group acquired all the non-controlling interests in Monshowroom in May 2014 for €6 million, with an impact of €4 million on equity attributable to owners of the parent.
In September 2015, Cdiscount Group sold its controlling interest in Monshowroom to Monoprix. The impact of this inter-company transaction was eliminated in the consolidated financial statements.

3.2.4 Super Inter

In September 2014, the Colombian competition authority authorised Éxito to purchase 19 Super Inter stores for COP200,000 million (€75 million, of which €24 million was paid in 2015).

Éxito had also signed an initial agreement with Super Inter to (i) operate 31 additional stores for a five-year period as from a date between 16 October and 18 December 2014 based on the store, (ii) to use the Super Inter trademarks, and (iii) in 2015, acquire the 31 additional stores and banners mentioned above (call option granted by Super Inter to Éxito which was exercised in 15 April 2015 - See Note 3.1.2). An agreement had been signed with Super Inter to organise the control of these 31 stores.

Given the net identifiable assets of COP20,588 million (€8 million) acquired on 16 October 2014, goodwill stands at COP179,412 million (€68 million), attributable to the acquisition of a new customer base and economies of scale resulting from the combined businesses of Éxito and Super Inter. This goodwill allocated to the Colombia CGU is tax-deductible.

The contribution of the stores acquired from Super Inter to Group net sales and consolidated profit totalled €16 million and €1 million, respectively, for the period from 16 October through 31 December 2014.

Had this acquisition of control been carried out on 1 January 2014, the contributions to net sales and consolidated net profit would have been €111 million and €4 million, respectively.

3.3 Investments in associates and joint ventures

3.3.1 Significant associates

The following table presents the fully condensed financial statements for the three main associates accounted for by the equity method. These statements are prepared in accordance with IFRS, as reported by the associates and restated, where appropriate, for the adjustments made by the Group, for example, to the adjustments linked to the fair value valuation at the acquisition-date or loss of control date and adjustments made to accounting policies, bringing them in line with those of the Group and eliminations of inter-company acquisitions or disposals up to the percentage of interest in the associates:

(€ millions)	2015			2014		
	Mercialys (i)	Banque du Groupe Casino	FIC (ii)	Mercialys (i)	Banque du Groupe Casino	FIC (ii)
Country	**France**	**France**	**Brazil**	France	France	Brazil
Business	**Real**	**Banking**	**Banking**	Real	Banking	Banking
% interests and voting rights (iii)	**40%**	**50%**	**50%**	40%	50%	50%
Net sales	**172**	**122**	**302**	155	105	329
Net profit from continuing operations	**87**	**2**	**61**	85	(5)	70
Other comprehensive income (loss)	**-**	**-**	**-**	-	-	-
Total comprehensive income (loss)	**87**	**2**	**61**	**85**	**(5)**	**70**
Non-current assets	**2,797**	**25**	**9**	2,415	27	11
Current assets (iv)	**117**	**826**	**903**	198	739	1,184
Non-current liabilities	**(1,243)**	**(2)**	**(4)**	(1,040)	(2)	(5)
Current liabilities (iv)	**(239)**	**(756)**	**(712)**	(182)	(670)	(920)
of which credit activity-related liabilities	**-**	***(738)***	***(712)***	-	*(655)*	*(920)*
Net assets	**1,432**	**94**	**197**	**1,391**	**94**	**271**
of which net assets attributable to owners of the parent	**1,325**	**94**	**197**	**1,391**	**94**	**271**
Share of net assets	**533**	**47**	**98**	**560**	**47**	**135**
Goodwill	**20**	**33**	**-**	20	33	-
Elimination of share of internal margin	**(177)**	**-**	**-**	(122)	-	-
Other adjustments (v)	**-**	**-**	**(14)**	-	-	(19)
Value of investments in equity-accounted entities	**376**	**80**	**84**	**457**	**80**	**116**
Dividends received from associates	**61**	**-**	**41**	44	-	4

(i) As at 31 December 2015, the Group held 40.25% of Mercialys capital. The Group considers that it exercises significant influence over the financial and operational policies of the Mercialys Group. This position is based on the analysis of the effective voting rights expressed during the last Mercialys Annual General Meetings (Casino and its related parties do not control the Annual General Meeting), the absence of a majority on strategic decisions within the company's Board of Directors, which is mostly made up of independent directors, the governance rules that provide that Casino representatives in Mercialys do not take part in decisions concerning operations carried out with the Group and operational contractual agreements concluded between the Group and the company on an arm's length basis.

(ii) GPA Group associates are mainly composed of FIC and BINV. They finance purchases made by GPA customers and resulted from a partnership between Banco Itaú Unibanco S.A. (Itaú Unibanco), GPA and Via Varejo. They are accounted for using the equity method as GPA only exercises significant influence over their operating and financial policies. The data presented above correspond to FIC: BINV is less significant.

(iii) The percentage interest referred to corresponds to that held by Casino, except in the case of FIC, also accounted for using the equity method, which refers to the interest held by the GPA subgroup.

(iv) The current assets and liabilities of the entities Banque du Groupe Casino and FIC primarily concern their credit business.

(v) The amount of the reserve statutorily allocated to Itaú Unibanco for determining the carrying amount of FIC's interest accounted for by the equity method must be deducted.

3.3.2 Significant joint venture

The Grupo Disco de Uruguay subgroup was the only significant joint venture in the Group's 2014 consolidated statements. This subgroup was subject to a put option in 2015 (see Note 3.1.1). The amount of dividends received from Disco for 2014 amounted to €7 million.

3.3.3 Other investments in associates and joint ventures

As at 31 December 2015, the net carrying amount of the interests held in other associates and joint ventures totalled €9 million and €75 million respectively (see Note 3.3.4). The aggregate amount of the financial items regarding these associates and joint ventures are immaterial. The amount of dividends received from these associates and joint ventures amounted to €26 million in 2015 compared with €9 million in 2014.

3.3.4 Changes in investments in associates and joint ventures

(€ millions)	1 January 2015	Impairment losses	Share of profit (loss) for the year	Dividends	Other	31 December 2015
Associates						
GPA Group associates (FIC & BINV)	95	-	36	(8)	-	122
Banque du Groupe Casino	83	-	(3)	-	-	80
Mercialys	561	-	34	(44)	(94)(2)	457
Other	28	(1)	(5)	(8)	7	21
Joint ventures						
Disco	122	-	14	(7)	-	129
Other	53	-	1	(1)	34	87
2014	**941**	**(1)**	**77**	**(68)**	**(52)**	**897**
Associates						
GPA Group associates (FIC & BINV)	**122**	**-**	**30**	**(34)**	**(30)**	**88**
Banque du Groupe Casino	**80**	**-**	**1**	**-**	**(1)**	**80**
Mercialys	**457**	**-**	**34**	**(61)**	**(55)(2)**	**376**
Other	**21**	**-**	**(9)**	**-**	**(2)**	**9**
Joint ventures						
Disco(1)	**129**	**-**	**-**	**-**	**(129)**	**-**
Others	**87**	**-**	**10**	**(26)**	**4**	**75**
2015	**897**	**-**	**66**	**(121)**	**(213)**	**629**

(1) The Disco subgroup has been fully consolidated since the date of acquisition, i.e. 1 January 2015 (see Note 3.1.1).

(2) The negative changes of €94 and €55 million are the result of the neutralisation of the gain on the sale of property assets by Casino to Mercialys up to the investment held in that entity.

3.3.5 Impairment losses on investments in associates and joint ventures

With the exception of Mercialys, associates and joint ventures are privately-held companies for which no quoted market prices are available on which to estimate their fair value.

The fair value of the interest in Mercialys at the reporting date was €691 million, determined using the market price as at 31 December 2015, compared with €682 million as at 31 December 2014. This value does not reflect an impairment loss. Mercialys' EPRA adjusted triple net asset value (ANR) amounted to €1,788 million at 100% as at 31 December 2015.

The impairment tests carried out as at 31 December 2015 did not result in an impairment loss (€10 million for the Franprix – Leader Price sector as at 31 December 2014).

3.3.6 Share of contingent liabilities in associates and joint ventures

As at 31 December 2015 and 31 December 2014, there were no material contingent liabilities in associates and joint ventures.

3.3.7 Transactions with related parties (associates and joint ventures)

The related party transactions shown below mainly concern routine transactions with companies over which the Group exercises significant influence (associates) or joint control (joint ventures) and that are accounted for in the financial statements using the equity method. These transactions are carried out on arm's length terms.

(€ millions)	2015				2014			
	Associates		Joint ventures		Associates		Joint ventures	
	Transaction	Balance	Transaction	Balance	Transaction	Balance	Transaction	Balance
Loans	**21**	**21**	**-**	**-**	(8)	-	-	-
Receivables	**8**	**17**	**(15)**	**3**	3	9	(7)	18
Liabilities	**(12)**	**5**	**(4)**	**5**	4	17	2	9
Expenses	**73 (i)**	**-**	**55**	**-**	66 (i)	-	68	-
Income	**398 (ii)**	**-**	**50**	**-**	317 (ii)	-	40	-

(i) Of which rental revenue excluding occupancy costs for the 105 leases signed with Mercialys for €42 million in 2015 (104 leases for €25 million in 2014). As at 31 December 2015, lease commitments to Mercialys for property assets amounted to €99 million, of which €43 million due within one year.

(ii) Of which €61 million of dividends received from Mercialys (€44 million in 2014) and income related to property development transactions with Mercialys presented under "Other Income" for €303 million (€243 million in 2014).

In connection with its relationship with Mercialys, Casino entered into various agreements; mainly, Casino is a tenant in certain shopping centres and handles the rental management of nearly all Mercialys sites and has entered into administrative and cash management agreements.

Under the partnership agreement between Casino and Mercialys and in line with its asset disposal transactions in 2014, Casino sold in 2015 property development projects to Mercialys (of which 6 sites of Distribution Casino France and 5 sites of Monoprix) for a total amount of €355 million, generating, after taking into account elimination up to the stake in Mercialys and rate of progress of each project, the recognition of other income for €200 million and a positive contribution to EBITDA of €107 million.

In addition, on 1 June 2015, Mercialys created Hyperthetis Participations including 6 property assets from property development projects that Casino sold to Mercialys in 2014. This new company is 51%-owned by Mercialys and 49%-owned by SPF2 (a regulated French property investment vehicle - *OPCI*), whose majority shareholder is BNP Paribas. This transaction led to the recognition under "Other income" of €22 million as part of the additional 49% fraction of the property development profit that had been previously eliminated to the tune of 40%. Subsequently, on 10 November 2015, the Group sold three property development projects to Hyperthetis Participations for a total amount of €64 million excluding transfer taxes, generating the recognition of other income for €52 million and a positive contribution to EBITDA of €25 million. Furthermore, the Group has a call option at a guaranteed price (the higher price of the fair value and IRR), concerning all the assets or all the securities of this new entity that can be exercised from 30 September 2020 until 31 March 2022 (see Note 3.4.2).

Finally, on 22 October 2015, Mercialys incorporated Immosiris, to which it transferred a shopping centre. It then sold 49% of the shares of this new company to an OPCI majority-owned by BNP Paribas REIM France. Subsequently, on 10 November 2015, the Group sold a property development project to Immosiris for a total amount of €36 million excluding transfer taxes, generating the recognition of other income for €29 million and a positive contribution to EBITDA of €15 million. Furthermore, the Group has a call option at a guaranteed price (the higher price of the fair value and IRR), concerning the property assets that had been sold previously, which can be exercised from 31 March 2021 until 30 September 2022 (see Note 3.4.2).

The dilution of the Group in Hyperthetis Participations and Immosiris was recognised as a "share of profit of equity-accounted entities" and amounted to €5 million.

3.3.8 Commitments to joint ventures

As at 31 December 2015 and 31 December 2014, there were no commitments to joint ventures.

3.4 Commitments related to scope of consolidation

3.4.1 Put options granted to owners of non-controlling interests - "PUTs options"

Accounting principle

The Group has granted put options to the owners of non-controlling interests in some of its subsidiaries. The exercise price may be fixed or based on a predetermined formula. In accordance with IAS 32, obligations under these PUTs options related to subsidiaries fully consolidated have been recognised as "financial liabilities"; options with a fixed exercise price are recognised at their discounted present value and options with a variable exercise price at fair value. Furthermore, these transactions may be carried out at any time or at a defined date. In 2015, the Group decided to disclose the PUTs options in the consolidated statement of financial position on a specific line. This modification has been treated retrospectively.

IAS 27 revised, which became effective for annual periods beginning on or after 1 January 2010, and, subsequently, IFRS 10, effective for annual periods beginning on or after 1 January 2014, specify the accounting treatment for acquisitions of additional equity interests. The Group has decided to apply two different accounting methods for these put options, depending on whether they were granted before or after the effective date of IAS 27 revised, as recommended by the France's securities regulator (Autorité des Marchés Financiers):

- the former are accounted for using the goodwill method: the difference between the debt of PUTs options and the carrying amount of the non-controlling interests is recognised in goodwill. In subsequent closings, this liability is remeasured and any changes noted are recognised in goodwill.
- the latter are accounted for as equity transactions between shareholders: the difference between the debt of PUTs options and the carrying amount of the non-controlling interests is recognised as a reduction of equity. In subsequent closing, this liability is remeasured and any changes noted are recorded in equity.

Commitments to acquire equity securities granted to non-controlling interests were as follows as at 31 December 2015:

(€ millions)	% Group interest	Commitment to non-controlling interests	Fixed or variable exercise price	Non-current liabilities (iii)	Current liabilities (iii)
Franprix – Leader Price (i)	50.00% to 74.00%	26.00% to 50.00%	F/V	48	11
Disco (ii)	62.49%	29.82%	V	-	90
Monoprix (Somitap)	55.42%	44.58%	F	1	1
Total commitments				**50**	**102**

(i) The value of these put options on subsidiaries of the Franprix-Leader Price subgroup is generally based on net profit. The +/-10% change in the indicator does not have a significant impact; these options expire between 2016 and 2031.
(ii) The option is exercisable until 21 June 2021.
(iii) As at 31 December 2014, non-controlling put options amounted to €62 million, of which €24 million of current part. The increase in 2015 is primarily due to the acquisition of full control of Disco (see Note 3.1.1)

3.4.2 Off-balance sheet commitments

Accounting principle

Under the terms of the option contracts, the exercise price of written put and call options may be determined using earnings multiples of the companies. In this case, evaluations are based on the latest published earnings for options exercisable at any time and earnings forecasts or projections for options exercisable as of a given future date. In many cases, the put option written by the Group is matched by a call option written by the other party. For these options, the value shown corresponds to that of the written put.

The amount of put options on non-controlled companies stood at €19 million as at 31 December 2015 compared with €163 million as at 31 December 2014, and concerns the Franprix – Leader Price subgroup exclusively. The decrease is primarily due to the acquisition of full control of Disco (see Note 3.1.1).

The Group also has a call option at the higher of the fair value and a guaranteed minimum IRR concerning all assets or all the shares of Hyperthetis Participations and a call option at the higher of the fair value and a guaranteed minimum IRR concerning a property asset previously sold to Immosiris (see Note 3.3.7) valued at a total amount of €311 million as at 31 December 2015.

3.5 Assets held for sale

Accounting principle

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. A non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this condition to be met, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable. For the sale to be highly probable, management must be committed to a plan to sell the asset which, in accounting terms, should result in the conclusion of a sale within one year of the date of this classification.
Considering these caracteristics, the Group's share in the net assets held for sale is presented in minoration of the net financial debt (see note 11).

Property, plant and equipment and intangible assets classified as held for sale are no longer depreciated or amortised.

Assets held for sale and related liabilities were €538 million and €184 million, respectively, as at 31 December 2015 compared with €36 million of assets held for sale as at 31 December 2014. They are composed primarily of Retail and E-commerce assets of the subgroup in Vietnam.
The Group's share of assets held for sale net of related liabilities stood at €315 million as at 31 December 2015 (compared with €28 million in 2014), of which €289 million for Vietnam (€287 million and €2 million for Retail and E-commerce activities respectively).

As at 31 December 2015, held-for-sale assets and liabilities relating to Retail and E-commerce activities of the Vietnam subgroup were broken down as follows:

(€ millions)	Before intra-Group elimination	Intra-Group elimination	After intra-Group elimination
Goodwill, intangible assets, property, plant and equipment, and investment property	184	-	**184**
Other non-current assets	107	-	**107**
Total non-current assets	291	-	**291**
Other current assets	87	-	**87**
Cash and cash equivalents	129	-	**129**
Total current assets	216	-	**216**
TOTAL ASSETS	507	-	**507**
Non-current financial liabilities	223	186	**36**
Other non-current liabilities	-	-	**-**
Total non-current liabilities	223	186	**36**
Current financial liabilities	30	-	**30**
Trade payables	94	-	**94**
Other current liabilities	24	-	**24**
Total current liabilities	148	-	**148**
TOTAL LIABILITIES	370	186	**184**
Net assets	**137**		**323**
attributable to owners of the parent (i)	*103*	*186*	***289***

(i) Of which €100 million and €3 million of net assets attributable to owners of the parent before intra-group elimination relating respectively to Vietnam Retail activity presented in Asia segment and Cdiscount Vietnam activity presented in E-commerce segment

In addition, to calculate the gain on disposal, amounts recognised under other comprehensive income such as foreign currency translation adjustments and net investment hedges totalling -€34 million as at 31 December 2015 should be taken into account.

Note 4 Additional information on the consolidated statement of cash flows

Accounting principle

The statement of cash flows is prepared using the indirect method based from consolidated net profit (loss) and is broken down according to three categories:

- cash flows from operating activities including taxes, acquisition costs in relation of acquisition of control and payments received as subsidies;
- cash flows from investing activities: in particular in case of acquisition of control (excluding acquisition costs), loss of control including transaction costs, acquisitions and disposals of non-consolidated investments and of associates and joint ventures (including transaction costs), contingent consideration paid for business combinations up to the liability determined in the measurement period as well as acquisitions and disposals of fixed assets (including costs and deferred payments) excluding financial leases;
- cash flows from financing activities: in particular loan issues and repayments, issues of equity instruments, equity transactions between shareholders (including transaction costs and any deferred payments), net interests paid (cash flows related to finance costs), transactions related to treasury shares and dividends paid.

4.1 Change in working capital

(€ millions)	**2015**	**2014**
Inventories of goods	**(253)**	(653)
Property development work in progress	**65**	127
Trade payables	**1,147**	1,310
Trade receivables	**(65)**	5
Finance receivables (credit activity)	**111**	4
Finance payables (credit activity)	**(108)**	3
Other receivables/payables	**302**	(452)
Change in working capital	**1,198**	**343**

4.2 Impact on cash of changes in scope of consolidation resulting in the gain or loss of control

(€ millions)	**2015**	**2014**
Amounts paid for acquisition of control	**(241)**	(130)
Cash/(bank overdrafts) related to acquisition of control	**37**	1
Amounts received for loss of control	**41**	28
(Cash)/bank overdrafts related to loss of control	**3**	-
Impact of changes in scope of consolidation resulting in the gain or loss of control	**(160)**	**(101)**

In 2015, the impact of these transactions on the Group cash position mainly comprises:
- acquisition of control of Super Inter for -€124 million (see Notes 3.1.2 and 3.2.4)
- acquisition of control of Europrice, Leader Centre Gestion and Parfidis by the Franprix – Leader Price subgroup amounting to -€18 million, -€14 million and -€21 million, respectively (see Note 3.1.3)
- cash acquired from Disco for €49 million (see Note 3.1.1)
- assets exchange under the agreement with Cafam for a net amount of -€17 million (see Note 3.1.4)

In 2014, the impact of these transactions on the Group cash position mainly comprised:

- acquisition of 19 Super Inter stores for -€49 million (see Note 3.2.4);
- acquisitions of control by the Franprix-Leader Price subgroup of 46 Le Mutant stores for -€32 million (see Note 3.2.2) and various other companies for -€27 million (the main companies are described in Note 3.2.2).

4.3 Impact on cash of transactions with non-controlling interests not resulting in the change of control

(€ millions)	2015	2014
Monoprix: Simonop'1 (see Note 3.1.6)	**73**	-
Lanin/Devoto (see Note 3.1.5)	**(17)**	(1)
Payment of Sendas debt	**(21)**	(22)
Exercise of the GPA call option (see Note 3.2.1)	**-**	(330)
Increase of Cnova capital associated with the initial public offering	**-**	117
Buybacks of non-controlling interests in Franprix-Leader Price subsidiaries	**-**	(10)
Other	**(18)**	(13)
Impact on cash of transactions with non-controlling interests	**17**	**(259)**

4.4 Reconciliation between change in cash and cash equivalents and change in net debt

(€ millions)	2015	2014
Change in cash and cash equivalents	**(2,663)**	2,087
Additions to financial debt	**(3,201)**	(3,616)
Repayments of financial debt	**4,911**	1,348
Non-cash changes in debts	**122**	(104)
Change in net assets held for sale attributable to owners of the parent	***229***	*(53)*
Change in other financial assets	***88***	-
Financial debt related to changes in scope of consolidation	***(12)***	*(17)*
Trade payables – structured program (see note 11.2)	***(285)***	-
Change in cash flow and fair value hedge	***70***	*(11)*
Others	***32***	*(23)*
Effect of changes in foreign currency translation adjustments	**490**	(101)
Change in net financial debt (see Note 11.2)	**(340)**	**(386)**
Net financial debt at beginning of period	**5,733**	5,346
Net financial debt at end of period (see Note 11.2)	**6,073**	5,733

Note 5 Segment information

Accounting principle

In accordance with IFRS 8 – Operating Segments, segment information is disclosed on the same basis as the Group's internal reporting system as used by the chief operating decision maker (the Chairman and Chief Executive Officer) in deciding how to allocate resources and in assessing performance.

The main segments are presented below:

- France Retail: segment including operating segments relating to retail activities in France (mainly the Casino, Monoprix, Franprix-Leader Price and Vindémia banners),
- Latam Retail: segment including operating segments relating to food retail activities in Latin America (mainly the Éxito, Disco - Devoto and Libertad banners as well as the GPA food banners),
- Latam Electronics: segment corresponding to the operating segment of Via Varejo (Casas Bahia and Ponto Frio banners),
- Asia: segment including the two operating segments of Big C Thailand and Big C Vietnam,
- E-commerce: segment including the activities of Cnova (Cdiscount, its vertical and international sites and Cnova Brazil).

The operating segments included in France Retail, Latam Retail and Asia have similar businesses in terms of product type, assets and human resources required for operations, customer profile, distribution methods, a marketing offering and long-term financial performance.

Given the dual strategy and interconnection between retail and real estate, the operating segments comprise pure retail activities, real estate asset management and property development projects.

The Management evaluates the performance of these segments on the basis of net sales and trading profit (includes the allocation of holding company costs to all of the Group's business units) and EBITDA. EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined as trading profit plus current amortisation expense.

Total assets and liabilities by segment are not specifically reported internally for management purposes and are therefore not disclosed in the Group's IFRS 8 segment reporting.

Segment information is provided on the same basis as the consolidated financial statements.

5.1 Key indicators by operating segment

(€ millions)	France Retail	Latam Retail	Latam Electronics	Asia	E-commerce	2015
External net sales	**18,890**	**14,714**	**5,187**	**3,973**	**3,381**	**46,145**
EBITDA	**726(*)**	**993**	**334**	**394**	**(104)**	**2,343**
Current amortisation expense (see Note 6.4)	**(389)**	**(290)**	**(63)**	**(117)**	**(38)**	**(897)**
Trading profit	**337**	**703**	**271**	**277**	**(142)**	**1,446**

(*) Of which €167 million for property development transactions carried out in France

(€ millions)	France Retail	Latam Retail	Latam Electronics	Asia	E-commerce	2014
External net sales	18,848	15,422	7,245	3,513	3,465	48,493
EBITDA	836(*)	1,215	737	361	41	3,191
Current amortisation expense (see Note 6.4)	(439)	(320)	(61)	(107)	(34)	(960)
Trading profit	397	895	677	255	7	2,231

(*) Of which €162 million for property development transactions carried out in France

5.2 Key indicators by geographical area

(€ millions)	France	Latin America	Asia	Other regions	Total
External net sales for the year ended 31 December 2015	**20,578**	**21,569**	**3,997**	**2**	**46,145**
External net sales for the year ended 31 December 2014	20,431	24,539	3,523	-	48,493

(€ millions)	France	Latin America	Asia	Other regions	Total
Non-current assets as at 31 December 2015 (i)	**12,099**	**10,143**	**2,066**	**43**	**24,351**
Non-current assets as at 31 December 2014 (i)	12,245	12,231	2,264	55	26,794

(i) Non-current assets include goodwill, intangible assets, property, plant and equipment, investment property, investments in associates and joint ventures as well as long-term prepaid expenses.

Note 6. Activity data

6.1 Total revenue

Accounting principle

Revenue is divided into two parts: “net sales excluding taxes” and “other income”.

“Net sales excluding taxes” include sales of the Group’s stores, Internet sites, self-service restaurants and warehouses, as well as financial services, rental services, income from the banking business and other miscellaneous services rendered by the establishments.

“Other income” consists of revenue from the property development and property trading businesses, other revenue from rendering of services, incidental revenues and revenues from secondary activities, including fees in connection with the sales of travel packages, fees related to franchise activity and income related to energy efficiency activities.

Total revenue is measured at the fair value of the consideration received or receivable, net of any trade discounts, volume rebates and sales taxes. It is recognised as follows:

- revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer (in most cases when the legal title is transferred), the amount of the revenue can be measured reliably and it is probable that the economic benefits of the transaction will flow to the Group;
- revenue from the sale of services, such as extended warranties, services directly related to the sale of goods and services rendered to suppliers are recognised in the period during which they are performed. When a service is combined with various commitments, such as volume commitments, the Group analyses facts and legal patterns in order to determine the appropriate timing of recognition. Accordingly, revenue may either be recognised immediately (the service is considered as performed) or deferred over the period during which the service is performed or the commitment achieved.

If payment is deferred beyond the usual credit period and is not covered by a financing entity, the revenue is discounted and the impact of discounting, if material, is recognised in financial income over the deferral period.

Award credits granted to customers under loyalty programmes are recognised as a separately identifiable component of the initial sales transaction. The corresponding revenue is deferred until the award credits are used by the customer.

(€ millions)	2015	2014
Net retail sales	**46,145**	48,493
Other income	**540**	568
Total revenue	**46,685**	**49,061**

6.2 Cost of goods sold

Accounting principle

Gross profit

Gross profit corresponds to the difference between "net sales" and the "cost of goods sold".

The "cost of goods sold" comprises the cost of purchases net of discounts and commercial cooperation fees, changes in inventory related to retail activities and logistics costs.

Commercial cooperation fees are measured based on contracts signed with suppliers. They are billed in instalments over the year. At each year-end, an accrual is recorded for the amount receivable or payable, corresponding to the difference between the value of the services actually rendered to the supplier and the sum of the instalments billed during the year.

Change in inventories

Changes in inventories, which may be positive or negative, are determined after taking into account any impairment losses.

Logistics costs

Logistics costs correspond to the cost of logistics operations managed or outsourced by the Group, comprising all warehousing, handling and freight costs incurred after goods are first received at one of the Group's stores or warehouses. Transport costs included in suppliers' invoices (e.g. for goods purchased on a "delivery duty paid" or "DDP" basis) are included in purchase costs. Outsourced transport costs are recognised under "logistics costs".

(€ millions)	2015	2014
Purchases and change in inventories	**(33,199)**	(34,602)
Logistics costs	**(1,780)**	(1,799)
Cost of goods sold	**(34,980)**	**(36,401)**

6.3 Expenses by nature and function

Accounting principle

Selling expenses

Selling expenses consist of point-of-sale costs, as well as the cost and changes in work in progress of property development.

General and administrative expenses

General and administrative expenses correspond to overheads and the cost of corporate units, including the purchasing and procurement, sales and marketing, IT and finance functions.

Pre-opening and post-closure costs

When they do not meet the criteria for capitalisation, costs incurred prior to the opening or after the closure of a store are recognised in operating expense when incurred.

(€ millions)	Logistics costs(*)	Selling expenses	General and administrative expenses	2015
Employee benefits expense	**(599)**	**(3,809)**	**(893)**	**(5,301)**
Other expenses	**(1,116)**	**(4,257)**	**(468)**	**(5,841)**
Depreciation and amortisation expense	**(66)**	**(680)**	**(152)**	**(897)**
Total	**(1,780)**	**(8,746)**	**(1,514)**	**(12,040)**

(€ millions)	Logistics costs(*)	Selling expenses	General and administrative expenses	2014
Employee benefits expense	(622)	(3,868)	(899)	**(5,390)**
Other expenses	(1,113)	(4,271)	(494)	**(5,878)**
Depreciation and amortisation expense	(64)	(717)	(179)	**(960)**
Total	**(1,799)**	**(8,857)**	**(1,573)**	**(12,229)**

(*) Logistics costs are reported in the consolidated income statement under “Cost of goods sold”.

France’s third amended 2012 Finance Act introduced a competitiveness and employment tax credit (CICE). This is a tax credit (repayable from the end of the third year) of 6% (7.5% for Vindémia) based on salaries equal to or less than 2.5 the French minimum wage. The Group recognised in 2015 this CICE income of €93 million (€93 million in 2014) which was presented in reduction to employee expenses and sold without recourse its receivable for €88 million (€87 million in 2014).

6.4 Depreciation and amortisation

(€ millions)	2015	2014
Depreciation and amortisation expense - owned assets (see Notes 10.2.2 - 10.3.2 and 10.4.2)	**(855)**	(911)
Depreciation and amortisation expense - finance leases (see Notes 10.2.2 - 10.3.2 and 10.4.2)	**(29)**	(37)
Lease payments for land use (see Note 7.2)	**(13)**	(12)
Total depreciation and amortisation expense	**(897)**	**(960)**

6.5 Other operating income and expenses

Accounting principle

”Other operating income and expenses” covers two types of items:

- first, the effects of major events occurring during the period that would distort analyses of the Group’s recurring profitability. They are defined as significant items of income and expense that are limited in number, unusual or abnormal, whose occurrence is rare;
- second, items which by their nature are not included in an assessment of a business unit’s recurring operating performance, such as impairment losses on non-current assets, disposals of non-current assets and the impact of applying IFRS 3 revised and IFRS 10 (see Note 3).

(€ millions)	2015	2014
Total other operating income	**499**	244
Total other operating expenses	**(977)**	(738)
	(478)	**(494)**
Breakdown by type		
Gains and losses on disposal of non-current assets	**16**	(4)
Restructuring provisions and expenses (i)(v)	**(309)**	(197)
Provisions and expenses for litigation and risks (ii)(v)	**(131)**	(97)
Net income/(expenses) related to changes in scope of consolidation (iii)(v)	**47**	(136)
Other net impairment losses of assets (v)	**(30)**	(53)
Other (iv)	**(71)**	(7)
Total other net operating income and expenses	**(478)**	(494)

(i) The 2015 restructuring expense concerns primarily the France Retail sectors for €193 million (of which €63 million, €57 million and €24 million relative to Distribution Casino France, Franprix-Leader Price and Monoprix, respectively), Latam Electronics for €52 million and Latam Retail for €40 million. In 2014, the restructuring expense concerns primarily the France Retail sectors for €156 million (of which €51 million, €41 million and €19 million relative to Distribution Casino France, Franprix-Leader Price and Monoprix, respectively).

(ii) Provisions and expenses for litigation and risks concern mainly the Latam Retail (primarily GPA) and France Retail segments for €95 million and €28 million, respectively, and primarily relate to the litigation with Morzan Empreendimentos (€113 million) described in Note 13.3. In 2014, provisions and expenses for litigation and risks primarily concerned the Latam Retail (primarily GPA) and Latam Electronics segments, for €76 million and €22 million, respectively.

(iii) The €47 million of net income recognised in 2015 arose mainly from the remeasurement of the interest previously held in Disco when it was acquired for €262 million (see Note 3.1.1) as well as the expenses and impacts related to changes in scope of consolidation amounting to -€133 million (primarily France Retail for -€116 million and Latam Retail for -€17 million mainly in connection with the new reorganisation of activities in Latin America described in Note 2 and the changes in scope at Franprix – Leader Price described in Note 3.1.3). The net expense of €136 million recognised in 2014 resulted primarily from expenses related to changes in scope of consolidation (€40 million, involving primarily France Retail and Latam Retail), the guarantee on liabilities granted by GPA in connection with the creation of Via Varejo (€28 million) and some expenses arising from the Cnova initial public offering (€26 million).

(iv) It included an expense of €23 million recognised for 2015 for irregularities in the Cnova Brazil subsidiary (see Note 2).

(v) Reconciliation of the breakdown of asset impairment losses with the tables of asset movements:

(€ millions)	Notes	2015	2014
Goodwill impairment losses	10.1	**(3)**	-
Net impairment reversals/(losses) on intangible assets	10.2.2	**(20)**	(25)
Net impairment reversals/(losses) on property, plant and equipment	10.3.2	**(93)**	(21)
Net impairment reversals/(losses) on other assets		**(7)**	(7)
Total net impairment losses		**(122)**	**(53)**
of which presented under "Restructuring provisions and expenses"		***(48)***	-
of which presented under "Other net impairment losses of assets"		***(30)***	*(53)*
of which presented under "Net income/(expenses) related to changes in scope of consolidation"		***(46)***	-
of which presented in "Gains and losses on disposal of non-current assets"		***5***	-

6.6 Inventories

Accounting principle

Inventories are measured at the lower of cost and probable net realisable value, determined by the first-in-first-out (FIFO) method applied by the Group.
The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing inventories to their present location and condition. Accordingly, logistics costs are included in the carrying amount and supplier discounts recognised in "Cost of goods sold" are deducted.

The cost of inventories includes gains or losses on cash flow hedges of future inventory purchases initially recognised in equity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

For its property development and property trading businesses, the Casino Group recognises assets and projects in progress in inventories.

(€ millions)	2015	2014
Goods	**4,676**	5,139
Property assets	**319**	263
Gross amount	**4,995**	**5,402**
Accumulated impairment losses on goods	**(73)**	(65)
Accumulated impairment losses on property assets	**(38)**	(26)
Accumulated impairment losses	**(111)**	**(91)**
Net inventories	**4,884**	**5,311**

6.7 Trade receivables

Accounting principle

Trade receivables are current financial assets (see Note 11) initially recognised at fair value and subsequently at amortised cost less any impairment losses. The fair value of trade receivables usually corresponds to the amount on the invoice. An impairment loss is recognised for trade receivables as soon as a probable loss emerges. Trade receivables can be sold to banking institutions. They are kept as assets in the statement of financial position for as long as all the related risks and rewards are not transferred to a third party.

6.7.1 Breakdown of trade receivables

(€ millions)	2015	2014
Trade and other receivables	**1,005**	976
Accumulated impairment losses on trade receivables	**(95)**	(95)
Trade receivables from credit activity (Via Varejo)	**435**	704
Accumulated impairment losses on trade receivables from credit activity (Via Varejo)	**(59)**	(73)
Net trade receivables	**1,287**	**1,513**

6.7.2 Accumulated impairment losses on trade receivables

(€ millions)	2015	2014
Accumulated impairment losses on trade receivables		
As at 1 January	**(95)**	(93)
Losses	**(57)**	(28)
Reversals	**53**	27
Changes in scope of consolidation	**-**	-
Reclassifications	**(0)**	-
Foreign currency translation adjustments	**3**	-
As at 31 December	**(95)**	**(95)**
Accumulated impairment losses on finance receivables		
As at 1 January	**(73)**	(66)
Losses	**(5)**	(6)
Reversals	**-**	-
Changes in scope of consolidation	**-**	-
Reclassifications	**-**	-
Foreign currency translation adjustments	**19**	(1)
As at 31 December	**(59)**	**(73)**

The criteria for recognising impairment losses are set out in Note 11.6.3 “Counterparty Risk”.

6.8 Other current assets

6.8.1 Breakdown of other current assets

(€ millions)	2015	2014
Other receivables	**1,165**	1,270
Financial assets held for cash management purposes and financial investments (see Note 11.2)	**71**	-
Financial assets arising from a significant disposal of non-current assets (see Note 11.2)	**12**	-
Tax and employee-related receivables in Brazil (see Note 6.9)	**208**	200
Current accounts of unconsolidated companies	**40**	61
Accumulated impairment losses on other receivables and current accounts	**(35)**	(74)
Fair value hedges – assets (see Note 11.6.1)	**231**	136
Derivatives not qualifying for hedge accounting and cash flow hedges – assets (see Note 11.6.1)	**27**	25
Prepaid expenses	**139**	167
Other assets	**1,857**	**1,786**

Other receivables primarily include tax and employee-related receivables and receivables from suppliers. Prepaid expenses mainly include purchases, rents, other occupancy costs and insurance premiums.

6.8.2 Accumulated impairment losses on other receivables and current accounts

(€ millions)	2015	2014
As at 1 January	**(74)**	(81)
Losses	**(23)**	(13)
Reversals	**62**	20
Changes in scope of consolidation	**-**	-
Reclassifications and other movements	**(2)**	-
Foreign currency translation adjustments	**2**	-
As at 31 December	**(35)**	**(74)**

6.9 Other non-current assets

(€ millions)	2015	2014
Available-for-sale financial assets (AFS)	**40**	89
Non-current fair value hedges (see Note 11.6.1)	**418**	430
Other financial assets	**624**	771
Loans	***97***	*88*
Non-hedge derivatives – assets	***-***	*-*
Loans and advances to unconsolidated companies and others	***91***	*91*
Judicial deposits paid by GPA (see Note 13.2)	***229***	*262*
Other non-current receivables	***207***	*331*
Tax and employee-related receivables in Brazil (see below)	**567**	665
Prepaid expenses	**209**	288
Other non-current assets	**1,858**	**2,244**

GPA has a total of €775 million in tax receivables (of which €567 million for the non-current portion), related primarily to ICMS (VAT) for €635 million, PIS/COFINS (VAT) and INSS (employer social security contributions). The subsidiary estimates the recoverability of the main tax receivable (ICMS) as follows:

(€ millions)	2015
Due within one year	**118**
Due in one to five years	**451**
Due in more than five years	**66**
Total	**635**

GPA recognised the tax credits due to it, particularly ICMS, each time it was able to validate and assemble the documentation justifying its rights and the estimate of the use of these rights within a reasonable time horizon. These credits are recognised as a reduction of the cost of goods sold. In 2014, Via Varejo recognised, among other credits, a previously unused credit in the amount of 302 million Brazilian reals (€97 million); the elements mainly legal, that support the registration and utilization of such credit were obtained during the year.

6.10 Off-balance sheet commitments

Accounting principle

Management believes that, to the best of its knowledge, there were no off-balance sheet commitments as at 31 December 2015, other than those described in this note, likely to have a material impact on the Group's current or future financial position.

The completeness of this information is checked by the Finance, Legal and Tax departments, which also participate in drawing up contracts that are binding on the Group.

Commitments entered into in the ordinary course of business mainly concern the Group's operating activities except for undrawn confirmed lines of credit, which represent a financing commitment.

Off-balance sheet commitments related to entities included in the scope of consolidation and commitments on lease contracts may be found in Note 3.4.2 and Note 7, respectively.

6.10.1 Commitments given

The amounts disclosed in the table below represent the maximum (undiscounted) potential amounts that the Group might have to pay in respect of commitments given. They are not netted against sums which the Group might recover through legal actions or counter-guarantees received.

(€ millions)	**2015**	**2014**
Assets pledged as collateral (i)	**205**	271
Bank guarantees given (ii)	**1,966**	2,589
Guarantees given in connection with disposals of non-current assets (iii)	**248**	229
Other commitments	**57**	57
Total commitments given	**2,476**	**3,146**
Due:		
Within one year	***381***	*141*
In one to five years	***2,060***	*2,958*
Beyond five years	***35***	*47*

(i) Assets pledged, mortgaged or otherwise given as collateral. Concerns GPA for €202 million mainly for tax-related disputes (€268 million in 2014) described in Note 13.2.

(ii) In 2015, included €1,826 million in bank guarantees given by GPA (including Cnova's Brazilian subsidiary) mainly for tax-related disputes (€2,437 million in 2014) described in Note 13.2.

(iii) Including €200 million in relation to the issue of Monoprix mandatory convertible bonds (MCB) (see Note 12.6).

6.10.2 Commitments received

The amounts disclosed in the table below represent the maximum (undiscounted) potential amounts in respect of commitments received.

(€ millions)	**2015**	**2014**
Guarantees received	**85**	88
Securities on financial assets	**78**	70
Undrawn confirmed lines of credit (see Note 11.2.3)	**4,515**	4,204
Other commitments	**40**	31
Total commitments received	**4,719**	**4,393**
Due:		
Within one year	***858***	*338*
In one to five years	***3,230***	*3,433*
Beyond five years	***630***	*622*

Note 7 Leases

Accounting principle

At the inception of an agreement, the Group determines whether the agreement is or contains a lease agreement.
The Group's lease agreements are recognised in accordance with IAS 17 which distinguishes between finance leases and operating leases.

Finance lease agreements

Lease agreements for property, plant and equipment that transfer nearly all the risks and benefits inherent to ownership are classified as finance leases.
Leased assets are initially recorded for an amount equal to their fair value or, if it is lower, at the present value of minimum lease payments. After the initial recognition, the assets are depreciated over their expected useful life in the same way as other assets in the same category, or over the lease term if shorter, unless the Group has a reasonable certainty that it will obtain ownership at the end of lease.
Minimum finance lease payments are apportioned between the financial expense and the amortisation of the liability. The financial expense is allocated to each period covered by the lease agreement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

The other lease agreements are classified under operating leases and are not recognised in the Group's statement of financial position.
Payments made under operating leases are recognised as an expense in the income statement on a straight-line basis over the lease term. Benefits received from the lessor are an integral part of the net total rental expense over the lease term, being recorded as a deduction therefrom over the lease term.
Operating lease commitments (see Note 7.3) correspond to fixed future minimum payments calculated over the non-cancellable term of operating leases.

Prepaid rents

In certain countries, the Group makes lease payments in advance linked to the use of the land. These payments are recognised as prepaid expenses and amortised over the duration of the lease terms.

7.1 Operating lease expenses

Rental expense related to operating leases amounted to €1,105 million as at 31 December 2015 (including €1,026 million for property assets primarily divided between France Retail and Brazil for €557 million and €368 million, respectively) and €1,227 million as at 31 December 2014 (including €1,150 million for property assets).
The contribution of Vietnam and Thailand to rental expenses was €3 million and €5 million, respectively.

The amount of future operating lease payments and minimum lease payments to be received under non-cancellable sub-leases are disclosed in Note 7.3.

7.2 Prepaid rents

Non-current prepaid expenses include €135 million of prepaid rents (€229 million in 2014, of which €104 million relating to Vietnam). The prepaid rents reflect the right to use land in some Asian countries for an average period of 26 years, with the cost recognised over the period of use.

7.3 Operating lease commitments (off-balance sheet)

The Group has operating leases on properties used in the business that it does not own. The future minimum lease payments, which correspond to the commitments over the term of non-cancellable operating leases after taking into account, if applicable, of the cancellation indemnity payment, break down as follows:

OPERATING LEASES ON PROPERTY WHERE THE GROUP IS LESSEE

(€ millions)	Future minimum lease payments	
	2015	**2014**
Due within one year	**748**	776
Due in one to five years	**970**	877
Due in more than five years	**619**	656
Total	**2,338**	**2,308**
of which France	***1,294***	*1,167*
of which food GPA	***68***	*89*
of which Via Varejo	***241***	*192*
of which Éxito	***327***	*344*
of which Uruguay	***98***	*73*
of which Thailand	***259***	*226*
of which E-commerce	***49***	*37*

Future minimum lease payments receivable under non-cancellable sub-leases amounted to €88 million as at 31 December 2015 (including €45 million for Thailand), compared with €59 million as at 31 December 2014.

The Group entered into operating leases on certain items of equipment that it did not wish to ultimately own. The future minimum lease payments under non-cancellable operating leases breaks down as follows:

OPERATING LEASES ON EQUIPMENT WHERE THE GROUP IS LESSEE

(€ millions)	Future minimum lease payments	
	2015	**2014**
Due within one year	**68**	34
Due in one to five years	**158**	45
Due in more than five years	**43**	-
Total(*)	**269**	**79**

(*) Primarily represents the France Retail segment

OPERATING LEASES WHERE THE GROUP IS LESSOR

The Group is also a lessor through its property development activity. Future minimum lease payments receivable under non-cancellable operating leases break down as follows:

(€ millions)	Future minimum lease payments	
	2015	**2014**
Due within one year	**108**	117
Due in one to five years	**112**	106
Due in more than five years	**73**	86
Total(*)	**294**	**309**

(*) Including Thailand, which presents a total commitment received of €101 million as at 31 December 2015.

Conditional rental revenue received by the Group included in the income statement in 2015 amounted to €12 million (€13 million in 2014).

7.4 Finance lease expenses

Conditional rental payments related to finance leases included in the income statement amounted to €1 million in 2015 and 2014.

The amounts of future finance lease payments are presented in Note 7.6.

7.5 Finance leases

The Group has finance lease agreements on real-estate assets and investment properties which break down as follows:

(€ millions)	2015			2014		
	Gross	Accum. depr.	Net	Gross	Accum. depr.	Net
Intangible assets	**87**	**(44)**	**43**	113	(47)	66
Land	**29**	**(2)**	**27**	31	(2)	29
Buildings	**199**	**(109)**	**90**	217	(116)	101
Equipment and other	**497**	**(460)**	**37**	538	(481)	57
Total	**812**	**(615)**	**197**	**900**	**(646)**	**254**

7.6 Finance lease commitments

The Group has finance lease agreements on real-estate assets and investment properties on one hand, and on equipment items. Reconciliation between future minimum lease payments under these leases and the present value of minimum payments is presented below.

As at 31 December 2015, the €81 million finance-lease liability (see Note 11.2) related to property assets and equipment (€19 million and €62 million, respectively).

FINANCE LEASES ON PROPERTY WHERE THE GROUP IS LESSEE

(€ millions)	2015		2014	
	Future minimum lease payments	Present value of future minimum lease payments	Future minimum lease payments	Present value of future minimum lease payments
Due within one year	**5**	**3**	4	1
Due in one to five years	**17**	**9**	16	5
Due in more than five years	**38**	**7**	50	12
Total future minimum lease payments	**60**	**19**	**70**	**18**
Interest expense	**(42)**		(52)	
Total present value of future minimum lease payments	**19**		**18**	

FINANCE LEASES ON EQUIPMENT WHERE THE GROUP IS LESSEE

(€ millions)	2015		2014	
	Future minimum lease payments	Present value of future minimum lease payments	Future minimum lease payments	Present value of future minimum lease payments
Due within one year	**17**	**13**	22	16
Due in one to five years	**50**	**40**	65	49
Due in more than five years	**10**	**9**	25	22
Total future minimum lease payments	**78**	**62**	**113**	**87**
Interest expense	**(16)**		(26)	
Total present value of future minimum lease payments	**62**		**87**	

Note 8 Employee benefits expenses

8.1 Employee benefits expenses by function

Employee expenses by function are shown in Note 6.3.

8.2 Provisions for retirement benefit obligations

Accounting principle

Post-employment and other long-term employee benefits

Group companies provide their employees with various employee benefit plans depending on local laws and practice.

- **Under defined contribution plans**, the Group pays fixed contributions into a fund and has no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Contributions to these plans are expensed as incurred.

- **Under defined benefit plans**, the Group's obligation is measured using the projected unit credit method based on the agreements effective in each company. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation. The final obligation is then discounted. The actuarial assumptions used to measure the obligation vary according to the economic conditions prevailing in the relevant country. The obligation is measured by independent actuaries annually for the most significant plans and for the employment termination benefit, and regularly for all other plans. Assumptions include expected rate of future salary increases, estimated average working life of employees, life expectancy and staff turnover rates.

  Actuarial gains and losses arise from the effects of changes in actuarial assumptions and experience adjustments (differences between results based on previous actuarial assumptions and what has actually occurred). All these gains and losses arising on defined benefit plans are recognised immediately in other comprehensive income.

  The past service cost referring to the increase in an obligation following the introduction of a new benefit plan or modification of an existing plan is immediately expensed.

  The expense in the income statement comprises:
  - Costs of services provided during the year, which are recognised under trading profit;
  - Past service costs as well as all curtailments or settlements of plans that are generally recognised under "Other operating income and expenses";
  - The expense net of interest on bonds and plan assets is accounted under "Other financial income and expenses". It is calculated by applying the discount rate defined by IAS 19 to net liabilities (amount of commitments after deducting the amount of assets of the plans) recognised under defined benefit plans, as determined at the beginning of the year.

  The provision recognised in the statement of financial position is measured as the net present value of the obligation less the fair value of plan assets.

Provisions for other long-term employee benefits during service

- **Other in-service long-term employee benefits**, such as jubilees, are also provisioned on the basis of an actuarial estimate of rights vested on the reporting date. With respect to these benefits, actuarial gains and losses are immediately recognised in profit or loss.

8.2.1 Composition of provisions for retirement benefit obligations

(€ millions)	2015			2014		
	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Retirement benefits	**256**	**8**	**264**	249	**-**	249
Jubilees	**37**	**1**	**38**	32	**-**	32
Bonuses for services rendered	**14**	**-**	**15**	11	-	12
Provisions for retirement benefit obligations	**307**	**9**	**316**	**292**	**-**	**292**

8.2.2 Presentation of retirement plans

DEFINED CONTRIBUTION PLAN

Defined contribution plans are retirement provisions through which an employer commits to such funding through the regular payment of contributions to a managing body. The employer's commitment to the payment of contributions is limited and therefore does not guarantee the pension amount that employees will receive. This type of plan predominantly concerns employees of the Group's French subsidiaries. These subsidiaries come under the general social security system, which is administered by the French government.

The expense for the year relating to defined contribution plans was €354 million for 2015 and concerns up to 85% of the Group's French subsidiaries (€329 million and 85% for 2014, respectively).

DEFINED BENEFIT PLAN

In certain countries, legislation or a conventional agreement provides for the payment of allowances to employees at certain times, either at the date of retirement, or at certain times post-retirement, based on their length of service and their salary at the age of retirement.

8.2.3 Main assumptions used in determining total obligations related to defined benefit plans (retirement benefit obligations)

Plans falling under defined benefit plans are exposed to interest rate risk, salary increase rate risk and mortality rate risk.

The following table summarises the main actuarial assumptions used to measure the obligation:

	France		International	
	2015	2014	2015	2014
Discount rate	**2.20%**	2.00%	**2.0% to 7.5%**	2.2% to 6.9%
Expected rate of future salary increases	**1.5% to 2.0%**	1.8% to 3.0%	**1.31% to 10.0%**	0.82% to 10.0%
Retirement age	**62 - 64 years**	62 - 64 years	**55 - 65 years**	55 - 65 years

For French companies, the discount rate is determined by reference to the Bloomberg 15-year AA corporate composite index.

SENSITIVITY ANALYSIS

A 100-basis point increase (decrease) in the discount rate would lead, respectively, to a -8.3% decrease and a +15.9% increase in the total obligation.

A 100-basis point increase (decrease) in the expected rate of salary increases would lead, respectively, to a +15.5% increase and a -8.2% decrease in the total obligation.

8.2.4 Change in retirement benefit obligations and plan assets

The following tables show a reconciliation of the obligations of all Group companies and the provisions recognised in the consolidated financial statements for the years ended 31 December 2015 and 31 December 2014.

(€ millions)		France		International		Total	
		2015	2014	2015	2014	2015	2014
Actuarial liability as at 1 January		**252**	250	**31**	29	**284**	280
Items included in the income statement		**10**	18	**4**	4	**14**	22
Service costs		**12**	12	**2**	2	**14**	14
Interest on defined benefit liabilities		**4**	7	**1**	2	**5**	8
Past service costs		**-**	-	**1**	-	**1**	-
Impact of curtailment/settlement of plans		**(6)**	-	**-**	-	**(6)**	-
Items included in other comprehensive income		**32**	2	**-**	1	**32**	3
(1) Actuarial (gains) and losses related to:		**32**	2	**1**	1	**33**	3
(i) changes in financial assumptions		***(8)***	*15*	***1***	*1*	***(7)***	*16*
(ii) changes in demographic assumptions		***37***	*(3)*	***-***	*-*	***37***	*(3)*
(iii) experience effects		***3***	*(10)*	***-***	*-*	***3***	*(10)*
(2) Foreign currency translation adjustments		**-**	-	**(1)**	-	**(1)**	-
Other		**(25)**	(18)	**(10)**	(3)	**(35)**	(21)
Reduction in the liability (benefit payments)		**(11)**	(11)	**(1)**	(3)	**(12)**	(13)
Changes in scope of consolidation		**(1)**	-	**-**	-	**(1)**	-
Other movements		**(13)**	(8)	**(9)**	-	**(22)**	(8)
Actuarial liability as at 31 December	**A**	**269**	252	**26**	31	**295**	284
Weighted average duration of plans						**19**	15

(*) In 2015, the impact was primarily the result of the update of the turnover table

(€ millions)		France		International		Total	
		2015	2014	2015	2014	2015	2014
Fair value of plan assets as at 1 January		**35**	38	**-**	-	**35**	39
Items included in the income statement		**-**	-	**-**	-	**-**	-
Interest on defined benefit assets		**-**	-	**-**	-	**-**	-
Items included in other comprehensive income		**1**	1	**-**	-	**1**	1
Actuarial (loss) and gains related to experience effect		**1**	1	**-**	-	**1**	1
Foreign currency translation adjustments		**-**	-	**-**	-	**-**	-
Other		**(5)**	(5)	**-**	-	**(5)**	(5)
Reduction in the liability (benefit payments)		**(5)**	(5)	**-**	-	**(5)**	(5)
Changes in scope of consolidation		**-**	-	**-**	-	**-**	-
Other movements		**-**	-	**-**	-	**-**	-
Fair value of plan assets as at 31 December	**B**	**31**	34	**-**	-	**31**	35

(€ millions)		France		International		Total	
		2015	2014	2015	2014	2015	2014
NET RETIREMENT BENEFIT OBLIGATION	**A-B**	**238**	218	**26**	31	**264**	249
Funding requirement		**215**	198	**-**	3	**215**	201
Present value of projected benefit obligation under funded plans		**246**	233	**-**	3	**246**	236
Fair value of plan assets		**(31)**	(35)	**-**	-	**(31)**	(35)
Present value of projected benefit obligation under unfunded plans		**23**	20	**26**	28	**49**	48

The plan assets mainly comprise a euro fund invested in fixed-rate bonds.

RECONCILIATION OF LIABILITIES IN THE STATEMENT OF FINANCIAL POSITION

(€ millions)	France		International		Total	
	2015	2014	2015	2014	2015	2014
As at 1 January	**218**	**212**	**31**	**29**	**249**	**241**
Expense for the year	**10**	18	**4**	4	**14**	22
Actuarial gains or losses recognised in equity	**31**	1	**1**	1	**32**	2
Foreign currency translation adjustments	**-**	-	**(1)**	-	**(1)**	-
Reduction in the liability (benefit payments)	**(6)**	(6)	**(1)**	(3)	**(7)**	(8)
Partial reimbursement of plan assets	**-**	-	**-**	-	**-**	-
Changes in scope of consolidation	**(1)**	-	**-**	-	**(1)**	-
Other movements	**(13)**	(8)	**(9)**	-	**(22)**	(8)
As at 31 December	**238**	**218**	**26**	**31**	**264**	**249**

BREAKDOWN OF EXPENSE FOR THE YEAR

(€ millions)	France		International		Total	
	2015	2014	2015	2014	2015	2014
Service costs	**12**	12	**2**	2	**14**	14
Net interest on net defined benefit liabilities (1)	**4**	6	**1**	2	**5**	8
Past service costs	**-**	-	**1**	-	**1**	-
Impact of curtailment/settlement of plans	**(6)**	-	**-**	-	**(6)**	-
Expense for the year	**10**	**18**	**4**	**4**	**14**	**22**

(1) Items in other financial income and expenses

SCHEDULE OF FUTURE UNDISCOUNTED CASH FLOWS

(€ millions)	Schedule of undiscounted cash flows						
	Carrying amount	2016	2017	2018	2019	2020	Beyond 2020
Post-employment benefits	264	9	5	9	12	17	571

8.3 Share-based payments

Accounting principle

Share-based payments

Management and selected employees of the Group receive stock options (options to purchase or subscribe for shares) and bonus shares.

The benefit granted under stock option plans, measured at fair value when granted, constitutes additional compensation. The fair value of the options at the grant date is recognised in "Employee benefits expense" over the option vesting period or in "Other operating expenses" when the benefit granted is related to a transaction recognised in "Other operating income and expenses" (see Note 6.5). The fair value of options is determined using the Black & Scholes option pricing model, based on the plan attributes, market data (including the market price of the underlying shares, share price volatility and the risk-free interest rate) at the grant date and assumptions concerning the probability of grantees remaining with the Group until the options vest.

The fair value of bonus shares is also determined on the basis of the plan attributes, market data at the grant date and assumptions concerning the probability of grantees remaining with the Group until the shares vest. If there are no vesting conditions attached to the bonus share plan, the expense is recognised in full when the plan is set up. Otherwise the expense is deferred over the vesting period as and when the vesting conditions are met.

Bonus shares are granted to certain company managers and to store managers. The shares vest in tranches, subject to continued employment with the Group and the attainment of Group performance targets for the period concerned.

8.3.1 Impact of share-based payments on earnings and equity

The net expense of €9 million in 2015 (€25 million in 2014) was recognised by adjusting equity by the same amount (€2 million and €7 million for Casino, Guichard-Perrachon, and GPA, respectively).

8.3.2 Casino, Guichard-Perrachon stock option plans

As at 31 December 2015, there were no Casino, Guichard-Perrachon stock option plans. The last two stock option plans expired in 2015. During the year, 22,485 stock options were exercised at the weighted average exercise price of €57.18.

8.3.3 Bonus share plans

ASSUMPTIONS AND DETAILS OF BONUS SHARE PLANS

Year of creation of plan	Vesting date(1)	Number of bonus shares authorised	Of which performance shares(2)	Number of shares to be delivered as at 31/12/2015	Share price(3)	Fair value of the share (in euros)(3)
11 May 2015	11 May 2017	**5,331**	**-**	**5,331**	79.71	65.08
6 May 2014	6 May 2019	**3,750**	**3,750**	**3,750**	90.11	69.28
6 May 2014	6 May 2017	**36,672**	**36,672**	**33,523**	90.11	67.34
6 May 2014	6 May 2017	**3,046**	**-**	**3,046**	90.11	71.12
6 May 2014	6 May 2016	**5,601**	**-**	**5,601**	90.11	73.35
6 May 2014	6 May 2018	**1,139**	**-**	**1,139**	90.11	76.79
18 October 2013	18 October 2017	**2,705**	**-**	**2,705**	83.43	70.09
18 October 2013	18 October 2018	**7,857**	**-**	**5,281**	83.43	66.27
18 October 2013	18 October 2016	**58,724**	**-**	**50,799**	83.43	65.42
15 April 2011	15 April 2014	**26,585**	**26,585**	**5,880**	70.80	56.34
TOTAL				**117,055**		

(1) The shares are subject to a two-year lock-up period as from the vesting date.
(2) Performance-related conditions mainly involve organic sales growth and trading profit levels of the company to which the employee belongs.
(3) Weighted average.

MOVEMENTS IN BONUS SHARES

Unvested bonus shares	2015	2014
Number of outstanding shares as at 1 January	**166,864**	**437,480**
Shares granted	**5,331**	50,208
Shares cancelled	**(33,144)**	(217,808)
Shares issued	**(21,996)**	(103,016)
Number of outstanding shares as at 31 December	**117,055**	**166,864**

8.3.4 Details of GPA stock option plans

The exercise price of Silver stock options corresponds to the average of the last 20 closing prices for GPA shares quoted on Bovespa, with a 20% discount. The number of shares resulting from the exercise of Silver stock options is fixed. The number of shares resulting from the exercise of Gold stock options is variable and depends on the ROIC (return on invested capital) performance-related condition for the Series A2 to A5 Gold plans. The performance condition for the Series A6 and A7 Gold plans is ROCE (return on capital employed). Gold options may not be exercised independently from Silver options.

Name of plan	Grant date	Exercise period start date	Expiry date	Number of options granted (in thousands)	Option exercise price (in reals)	Number of options outstanding as at 31 December 2015 (in thousands)
Series C2	29 May 2015	1 June 2018	30 November 2018	337	77.27	**314**
Series B2	29 May 2015	1 June 2018	30 November 2018	337	0.01	**316**
Series C1	30 May 2014	30 May 2017	30 November 2017	239	83.22	**164**
Series B1	30 May 2014	30 May 2017	30 November 2017	239	0.01	**169**
Series A7 – Silver	15 March 2013	31 March 2016	31 March 2017	358	80	**151**
Series A7 – Gold	15 March 2013	31 March 2016	31 March 2017	358	0.01	**151**
Series A6 – Silver	15 March 2012	31 March 2015	31 March 2016	526	64.13	**2**
Series A6 – Gold	15 March 2012	31 March 2015	31 March 2016	526	0.01	**-**
					39.57	**1,267**

MAIN ASSUMPTIONS APPLIED TO VALUE SHARE SUBSCRIPTION OPTIONS

GPA uses the following assumptions to value its plans:

- dividend yield: 0.96% and 1.37%;
- projected volatility: 22.09% and 24.34%;
- risk-free interest rate: 11.7% and 12.72%.

The average fair value of options outstanding was BRL67.35 as at 31 December 2015.

The table below shows movements in the number of outstanding options and average weighted exercise prices:

	2015		2014	
	Number of outstanding options (in thousands)	Average weighted exercise price (in reals)	Number of outstanding options (in thousands)	Average weighted exercise price (in reals)
Options outstanding as at 1 January	**1,128**	**38.16**	1,580	34.39
Of which, vested options	***6***	***54.69***	-	-
Options granted during the period	**674**	**38.64**	477	41.61
Options exercised during the period	**(418)**	**32.62**	(830)	32.76
Options cancelled during the period	**(117)**	**45.53**	(99)	39.92
Options outstanding as at 31	**1,267**	**39.57**	1,128	38.16
Of which, vested options	***2***	***64.13***	*6*	*54.69*

8.3.5 Details of Cnova equity instruments

On 19 November 2014, Casino granted stock appreciation rights (SARs) to certain Cnova managers, entitling them to a cash payment for the difference, at the acquisition date (four years) between, on one hand, the smaller of 220% of the IPO price and the market price on the vesting date and, on the other hand, 120% of the IPO price. SARs are transactions whose payment is based on shares and that will be paid in cash. The expense over the period is not material.

On the same date, Cnova granted 1.3 million deferred bonus shares, without conditions, to certain managers. They will receive their shares on the fourth anniversary of the offer. The expense recognised in 2014 under "Other operating expenses" (including Cnova's IPO expenses) was €10 million. It was based on the value of the Cnova share on the vesting date.

8.4 Gross remuneration and benefits of the members of the Group Executive Committee and the Board of Directors

(€ millions)	2015	2014
Short-term benefits excluding social security contributions(i)	27	24
Social security contributions on short-term benefits	3	2
Termination benefits for key executives	-	-
Share-based payments(ii)	1	1
Total	**31**	**27**

(i) Gross salaries, bonuses, discretionary and statutory profit-sharing, benefits in kind and directors' fees.
(ii) Expense recognised in the income statement in respect of stock option and bonus share plans.

The members of the Group Executive Committee are not entitled to any specific supplementary retirement benefits.

Note 9 Income tax

Accounting principle

Income tax expense corresponds to the sum of the current taxes due by the various Group companies, adjusted for deferred taxes.
Qualifying French subsidiaries are generally members of a tax group and file a consolidated tax return.
Current tax expenses reported in the income statement correspond to the tax expenses of the parent companies of the tax groups and companies that are not members of a tax group.
Deferred tax assets correspond to future tax benefits arising from deductible temporary differences, tax loss carryforwards and certain consolidation adjustments that are expected to be recoverable.
Deferred tax liabilities are recognised in full for:

- taxable temporary differences, except where the deferred tax liability results from recognition of a non-deductible impairment loss on goodwill or from initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or the tax loss; and
- taxable temporary differences related to investments in subsidiaries, associates and joint ventures, except when the Group controls the timing of the reversal of the difference and it is probable that it will not reverse in the foreseeable future.

Deferred taxes are recognised using the balance sheet approach and in accordance with IAS 12. They are calculated by the liability method, which consists of adjusting deferred taxes recognised in prior periods for the effect of any enacted changes in the income tax rate.
The Group reviews the probability of future recovery of deferred tax assets on a periodic basis for each tax entity. This review may, if necessary, lead the Group to no longer recognise deferred tax assets that it had recognised in prior years. The probability for recovery is assessed based on a tax plan indicating the level of projected taxable income.
The taxable income used in the assessment is based on that generally obtained over a five-year period. The assumptions included in the tax plan are consistent with those used in the medium-term business plans and budgets prepared by the Group's entities and approved by management.

The French corporate value-added tax (*Cotisation sur la Valeur Ajoutée des Entreprises – C.V.A.E.*), which is based on the added value recognised in the statutory financial statements, is presented on the "Income tax expense" line.

When payments to holders of equity instruments qualify for tax deductions, the tax impact is recognised by the Group in income statement.

9.1 Income tax expense

9.1.1 Analysis of income tax expense

(€ millions)	2015			2014		
	France	International	TOTAL	France	International	TOTAL
Current income tax	(13)	(165)	(178)	(26)	(278)	(304)
Other taxes (CVAE)	(64)	-	(64)	(66)	-	(66)
Deferred taxes	180	1	181	136	(77)	59
Total income tax expense recognised in the income statement(i)	**102**	**(164)**	**(61)**	**44**	**(355)**	**(310)**
Tax effect recognised in "Other comprehensive income" (see Note 12.7.2)	**14**	**-**	**14**	(6)	-	(6)
Tax effect recognised in equity	**2**	**2**	**4**	**7**	**(5)**	**2**

(i) Of which -€63 million of tax expense relating to continuing operations and €2 million of tax benefit relating to operations discontinued in 2015.

9.1.2 Reconciliation of theoretical and actual tax expense

(€ millions)	2015		2014	
Profit (loss) before tax and share of profit (loss) of equity-accounted entities	**150**		**1,059**	
Theoretical French tax expense(i)	**(52)**	**-34.43%**	**(365)**	-34.43%
Reconciliation of theoretical and actual tax expense				
Impact of tax rate differences in foreign subsidiaries	**80**	**53.5%**	77	7.3%
Gains or losses on remeasurement of previously-held interests pursuant to transactions resulting in gain or loss of control and sale of shares	**64**	**43.1%**	-	-
Recognition of previously unrecognised tax benefits on tax losses and other deductible temporary differences	**46**	**30.7%**	43	4.1%
Non-recognition of deferred tax assets on tax loss carryforwards or other deductible temporary differences(ii)	**(178)**	**-118.8%**	(32)	-3.0%
CVAE net of income tax	**(42)**	**-27.9%**	(39)	-3.7%
Non-deductible financial expenses(iii)	**(27)**	**-17.8%**	(23)	-2.2%
Non-taxable CICE(iv)	**32**	**21.4%**	32	3.0%
Additional contribution of 3% dividend	**(11)**	**-7.1%**	(11)	-1.0%
Temporary difference in the value of Mercialys shares retained	**(10)**	**-6.7%**	(18)	-1.7%
Tax on income offset by disposals of property assets to Mercialys	**(22)**	**-14.4%**	(30)	-2.8%
Deductible perpetual deeply subordinated bond coupons	**29**	**19.1%**	8	0.8%
Tax on Éxito equity	**(22)**	**-14.6%**	(14)	-1.3%
Tax amortisation of goodwill (Éxito)	**18**	**11.9%**	17	1.6%
Other	**31**	**20.9%**	43	4.0%
Actual income tax expense/effective tax rate	**(61)**	**-41.1%**	**(310)**	**-29.3%**

(i) For 2015 and 2014, the reconciliation of the effective tax rate paid by the Group was based on the constant tax rate of 34.43%. The rate used by the Group does not take into account the transitional additional contribution of 10.7% in 2014 and 2015 for surtax on French companies with revenues of more than €250 million.
(ii) Of which €85 million relating to the E-commerce segment and €59 million relating to Segisor in connection with the reorganisation of the Group's businesses in Latin America (see Note 2).
(iii) Some foreign legislations impose a flat-rate ceiling on the deductibility of financial expenses paid by companies. For French companies, since the 2012 amended Finance Act, this restriction consists in reintegrating 25% of these financial charges into the taxable income for the period. The corresponding tax expense was €24 million in 2015, compared with €23 million in 2014.
(iv) See Note 6.3.

9.2 Deferred taxes

9.2.1 Change in deferred tax assets

(€ millions)	2015	2014
As at 1 January	**366**	**392**
Benefit/(expense) for the year	**157**	54
Impact of changes in scope of consolidation	**7**	(3)
Impact of changes in exchange rates and reclassifications	**(56)**	(83)
Deferred tax assets recognised directly in equity	**16**	5
As at 31 December	**490**	**366**

9.2.2 Change in deferred tax liabilities

(€ millions)	2015	2014
As at 1 January	**1,423**	**1,402**
Expense/(benefit) for the year	**(24)**	(3)
Impact of changes in scope of consolidation	**20**	1
Impact of changes in exchange rates and reclassifications	**(194)**	14
Deferred tax assets recognised directly in equity	**-**	9
As at 31 December	**1,225**	**1,423**

9.2.3 Breakdown of deferred tax assets and liabilities by source

(€ millions)	Net amount	
	2015	2014
Intangible assets	**(970)**	(1,113)
Property, plant and equipment	**(541)**	(756)
of which finance leases	***(48)***	*(194)*
Inventories	**65**	46
Financial instruments	**93**	75
Other assets	**(29)**	(25)
Provisions	**161**	291
Regulated provisions	**(182)**	(184)
Other liabilities	**76**	121
of which finance lease liabilities	***10***	*14*
Tax loss carryforwards	**592**	490
Net deferred tax assets (liabilities)	**(735)**	**(1,057)**
Deferred tax assets recognised in the statement of financial position	**490**	366
Deferred tax liabilities recognised in the statement of financial position	**1,225**	1,423
Net	**(735)**	**(1,057)**

The Casino, Guichard-Perrachon Group tax relief agreement resulted in a tax saving of €323 million in 2015 compared with €287 million as at 31 December 2014.

Recognised tax loss carryforwards mainly concern GPA and Casino Guichard-Perrachon. The corresponding deferred tax assets have been recognised in the statement of financial position as their utilisation is considered probable in view of the forecast future taxable profits of the companies concerned. As at 31 December 2015, these deferred taxes amounted to €419 million for Casino, Guichard-Perrachon and €41 million for GPA. The recovery plans will run respectively for Casino, Guichard-Perrachon and GPA until 2021 and 2023.

9.2.4 Unrecognised deferred tax assets

As at 31 December 2015, the Group had €511 million of unused unrecognised tax loss carryforwards (€168 million of unrecognised deferred tax assets) compared with €196 million in 2014 (and €65 million of unrecognised deferred tax assets). These losses mainly concern Ségisor, the Franprix-Leader Price subgroup, Cnova Brazil and Cdiscount.

Expiry dates of unrecognised tax loss carryforwards

(€ millions)	2015	2014
Less than one year	**3**	-
One to two years	**6**	1
Two to three years	**14**	2
More than three years	**146**	62
Total	**168**	**65**

Note 10 Intangible assets, property, plant and equipment, and investment property

Accounting principle

The cost of fixed assets corresponds to their purchase cost plus transaction expenses including tax. For property, plant and equipment, intangible assets and investment property, these expenditures increase the value of the assets and adhere to the same accounting rules.

10.1 Goodwill

Accounting principle

At the acquisition date, goodwill is measured in accordance with the business combinations accounting principle, described in Note 3. It is allocated to the cash generating unit or groups of cash generating units that benefit from the synergies of the combination, based on the level at which the return on investment is monitored for internal management purposes. Goodwill is not amortised, but is tested for impairment at each year-end, or whenever events or change of circumstances indicate that it may be impaired. Impairment losses on goodwill are not reversible. The methods used by the Group to test goodwill for impairment are described in the “Impairment of non-current assets” section in Note 10.5. Negative goodwill is recognised directly in the income statement for the period of the business combination, once the identification and measurement of the acquiree’s identifiable assets, liabilities and contingent liabilities have been verified.

10.1.1 Breakdowm by business line and geographical area

(€ millions)	2015 Net amount	2014 Net amount
Retail France	**5,606**	**5,520**
Hypermarkets, supermarkets and convenience stores	***1,446***	*1,455*
Franprix-Leader Price	***2,563***	*2,511*
Monoprix	***1,300***	*1,256*
Indian Ocean	***176***	*176*
Other	***121***	*122*
E-commerce	**368**	**496**
France	***57***	*79*
Brazil	***312***	*417*
Latam Retail	**3,206**	**3,695**
Argentina	***13***	*18*
Brazil (food GPA)	***2,333***	*3,123*
Colombia	***525***	*490*
Uruguay	***335***	*64*
Latam Electronics (Via Varejo)	**406**	**544**
Asia	**764**	**754**
Thailand	***764***	*751*
Vietnam	***-***	*3*
Casino Group	**10,351**	**11,009**

10.1.2 Movements for the year

(€ millions)	2015	2014
Carrying amount as at 1 January	**11,009**	**10,728**
Goodwill recognised during the year(i)	**528**	173
Impairment losses recognised during the year	**(3)**	-
Deconsolidation	**(13)**	(1)
Foreign currency translation adjustments	**(1,167)**	94
Reclassifications and other movements	**(4)**	15
Carrying amount as at 31 December	**10,351**	**11,009**

(i) As at 31 December 2015, the €528 million increase arose primarily from the acquisition of a controlling interest in Disco for €304 million (see Note 3.1.1), the exercise of the call option for additional Super Inter stores for €95 million (see Note 3.1.2), acquisition of controlling interests in Europrice, Leader Centre Gestion and Parfidis for €11 million, €18 million and €26 million, respectively (see Note 3.13), and the €44 million asset exchange agreement between Éxito and Cafam. In 2014, the €173 million increase arose primarily from the acquisition of a controlling interest in Super Inter for €68 million (see Note 3.2.4), Le Mutant for €18 million (see Note 3.2.2), various stores within the Franprix-Leader Price scope (explained mainly in Note 3.2.2) and Distribution Casino France of €32 million and €30 million, respectively.

10.2 Other intangible assets

Accounting principle

Intangible assets acquired separately by the Group are measured at cost and those acquired in business combinations are measured at fair value. Intangible assets consist mainly of purchased software, software developed for internal use, trademarks, patents and lease premiums. Trademarks that are created and developed internally are not recognised on the statement of financial position. Intangible assets are amortised on a straight-line basis over their useful lives, which are estimated for each asset category. Development costs are amortised over three years and software over three to ten years. Indefinite life intangible assets (including lease premiums and purchased trademarks) are not amortised, but are tested for impairment at each year-end or whenever there is an indication that their carrying amount may not be recovered.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an asset is determined as the difference between the net sale proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss ("Other operating income and expenses") when the asset is derecognised.

Residual values, useful lives and amortisation methods are reviewed at each year-end and revised prospectively if necessary.

10.2.1 Breakdown

(€ millions)	2015			2014		
	Gross amount	Accumulated Depreciation, amortisation and impairment	Net amount	Gross amount	Accumulated Depreciation, amortisation and impairment	Net amount
Concessions, trademarks, licences and banners	**2,114**	**(31)**	**2,083**	2,535	(35)	2,501
Lease rights	**945**	**(38)**	**907**	1,104	(42)	1,061
Software	**1,083**	**(616)**	**466**	1,105	(583)	522
Other	**357**	**(191)**	**167**	411	(206)	205
Intangible assets	**4,499**	**(877)**	**3,622**	**5,155**	**(866)**	**4,289**

10.2.2 Movements for the year

(€ millions)	Concessions, trademarks, licences and banners	Lease rights	Software	Other intangible assets	Total
As at 1 January 2014	**2,498**	**1,036**	**503**	**171**	**4,208**
Changes in scope of consolidation	-	7	-	2	8
Increases and separately acquired assets	2	13	130	44	190
Assets disposed of during the year	-	(4)	(2)	-	(7)
Depreciation and amortisation expense	(4)	(2)	(114)	(27)	(148)
Net impairment reversals/(losses)	-	-	(23)	(2)	(25)
Foreign currency translation adjustments	4	7	1	(3)	9
Reclassifications and other movements	-	6	26	19	53
As at 31 December 2014	**2,501**	**1,061**	**522**	**205**	**4,289**
Changes in scope of consolidation	**59**	**1**	**-**	**(2)**	**58**
Increases and separately acquired assets	**3**	**21**	**99**	**80**	**202**
Assets disposed of during the year	**-**	**(7)**	**(0)**	**(6)**	**(13)**
Depreciation and amortisation expense	**(3)**	**(2)**	**(110)**	**(26)**	**(140)**
Net impairment reversals/(losses)	**-**	**(9)**	**(11)**	**-**	**(21)**
Foreign currency translation adjustments	**(477)**	**(151)**	**(81)**	**(27)**	**(737)**
Reclassifications and other movements	**1**	**(8)**	**47**	**(57)**	**(16)**
As at 31 December 2015	**2,083**	**907**	**466**	**167**	**3,622**

Internally-generated intangible assets, mainly information systems developments, represented €34 million in 2015 compared with €19 million in 2014.

As at 31 December 2015, intangible assets included trademarks and lease premiums with an indefinite useful life for the amount of €2,075 million and €907 million, respectively. They are allocated to the following groups of CGU:

(€ millions)	2015	2014
Latam Retail	**1,247**	**1,581**
of which Brazil (GPA food)	***1,045***	*1,399*
of which Colombia	***170***	*182*
of which Uruguay	***32***	*-*
Latam Electronics (Via Varejo)	**698**	**936**
France Retail	**1,027**	**1,024**
of which Casino France	***78***	*77*
of which Franprix-Leader Price	***74***	*80*
of which Monoprix	***875***	*867*
Other	**9**	**15**

Intangible assets were tested for impairment as at 31 December 2015 using the method described in Note 10.5 “Impairment of non-current assets.” The impact is shown in the same note.

10.3 Property, plant and equipment

Accounting principle

Property, plant and equipment are measured at cost less accumulated depreciation and amortisation and any accumulated impairment losses.
Subsequent expenditures are recognised in assets if they satisfy the recognition criteria of IAS 16. The Group examines these criteria before making expenditure.

Land is not depreciated. All other items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives for each category of assets, with generally no residual value. The main useful lives are as follows:

Asset category	Depreciation period (years)
Land	-
Buildings (structure)	50
Roof waterproofing	15
Fire protection of the building structure	25
Land improvements	10 to 40
Building fixtures and fittings	5 to 20
Technical installations, machinery and equipment	5 to 20
Computer equipment	3 to 5

“Roof waterproofing” and “Fire protection of the building structure” are classified as separate items of property, plant and equipment only when they are installed during major renovation projects. In all other cases, they are included in the “Building (structure)” item.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising from derecognition of an asset is determined as the difference between the net sale proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss (“Other operating income and expenses”) when the asset is derecognised.

Residual values, useful lives and amortisation methods are reviewed at each year-end and revised prospectively if necessary.

10.3.1 Breakdown

(€ millions)	2015			2014		
	Gross amount	Accumulated depreciation, amortisation and impairment	Net amount	Gross amount	Accumulated depreciation, amortisation and impairment	Net amount
Land and land improvements	**2,197**	**(94)**	**2,103**	2,386	(87)	2,299
Buildings, fixtures and fittings	**5,652**	**(2,105)**	**3,546**	6,305	(2,311)	3,993
Other	**8,152**	**(5,032)**	**3,120**	8,571	(5,220)	3,351
Property, plant and equipment	**16,001**	**(7,231)**	**8,769**	**17,261**	**(7,618)**	**9,643**

10.3.2 Movements for the year

(€ millions)	Land and land improvements	Buildings, fixtures and fittings	Other	Total
As at 1 January 2014	**2,189**	**3,826**	**3,280**	**9,295**
Changes in scope of consolidation	2	27	35	64
Increases and separately acquired assets	192	303	868	1,363
Assets disposed of during the year	(80)	(102)	(60)	(242)
Depreciation and amortisation expense	(5)	(221)	(551)	(777)
Net impairment reversals/(losses)	3	22	(46)	(21)
Foreign currency translation adjustments	1	14	9	23
Reclassifications and other movements	(2)	124	(184)	(62)
As at 31 December 2014	**2,299**	**3,993**	**3,351**	**9,643**
Changes in scope of consolidation	**79**	**59**	**38**	**176**
Increases and separately acquired assets	**23**	**143**	**1,117**	**1,283**
Assets disposed of during the year	**(75)**	**(73)**	**(135)**	**(282)**
Depreciation and amortisation expense	**(1)**	**(191)**	**(518)**	**(709)**
Net impairment reversals/(losses)	**(1)**	**(1)**	**(91)**	**(93)**
Foreign currency translation adjustments	**(177)**	**(529)**	**(291)**	**(997)**
Reclassifications and other movements(i)	**(46)**	**144**	**(351)**	**(252)**
As at 31 December 2015	**2,103**	**3,546**	**3,120**	**8,769**

(i) Of which primarily -€139 million relating to the Vietnam subgroup classified as assets held for sale (see Note 3.5) and -€54 million in connection with the property development business.

Property, plant and equipment were tested for impairment as at 31 December 2015 using the method described in Note 10.5 "Impairment of non-current assets." The impact is shown in the same note.

10.3.3 Capitalisation of borrowing costs

Accounting principle

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (typically more than six months) are capitalised in the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs are interest and other costs incurred by an entity in connection with the borrowing of funds.

Interest capitalised during the year ended 31 December 2015 remained unchanged from the previous year at €5 million, at an average interest rate of 13.06% compared with 11.4% in 2014.

10.4 Investment property

Accounting principle

Investment property is property held by the Group to earn rental revenue or for capital appreciation or both. The shopping centers owned by the Group are classified as investment property.

Subsequent to initial recognition, they are measured at historical cost less accumulated depreciation, amortisation and any accumulated impairment losses. Their fair value is disclosed in the notes to the consolidated financial statements. Investment property is depreciated over the same useful life and according to the same rules as owner-occupied property.

10.4.1 Breakdown

(€ millions)	2015			2014		
	Gross amount	Accumulated depreciation, amortisation and impairment	Net amount	Gross amount	Accumulated depreciation, amortisation and impairment	Net amount
Investment property	**1,031**	**(260)**	**771**	910	(243)	667

10.4.2 Movements for the year

(€ millions)	2015	2014
As at 1 January	**667**	**555**
Changes in scope of consolidation	**32**	(9)
Increases and separately acquired assets	**79**	34
Assets disposed of during the year	**-**	(1)
Depreciation and amortisation expense	**(35)**	(28)
Net impairment reversals/(losses)	**-**	-
Foreign currency translation adjustments	**(32)**	36
Reclassifications and other movements	**60**	80
As at 31 December	**771**	**667**

The carrying amount of investment property totalled €771 million as at 31 December 2015, with €423 million (55%) concerning the subsidiary Big C Thailand, and €182 million (24%) concerning the subsidiary Éxito. It amounted to €667 million at year end 2014 (with 63% for Big C Thailand and 24% for Éxito).

Amounts recognised in the income statement in respect of rental revenue and operating expenses on investment property break down as follows:

(€ millions)	2015	2014
Rental revenue from investment property(*)	**269**	254
Directly attributable operating expenses on investment properties		
- that generated rental revenue during the year	**(25)**	(26)
- that did not generate rental revenue during the year	**(14)**	(12)

(*) Including €214 million concerning Big C Thailand (€181 million in 2014).

FAIR VALUE OF INVESTMENT PROPERTY

Big C Thailand holds the main investment properties.

As at 31 December 2015, the fair value of investment property was €2,006 million (€1,737 million as at 31 December 2014). For most investment properties, fair value is determined on the basis of valuations carried out by independent external appraisers. Valuations are based on open market value as confirmed by market indicators, a level 3 fair value input in accordance with international valuation standards.

FAIR VALUES OF INVESTMENT PROPERTY HELD BY BIG C THAILAND

The fair value of Big C Thailand's investment property, acquired over previous years, was revised on the basis of an initial evaluation carried out by an independent appraiser. The fair value of assets acquired in 2015 was estimated by an independent appraiser. The method of measuring fair value consists of discounting future cash flows generated by each investment property. The main assumptions relate to the expected rate of rental growth (between 0% and 3.2%) and the discount rate (between 10% and 13.5%).

10.5 Impairment of non-current assets

Accounting principle

The procedure to be followed to ensure that the carrying amount of assets does not exceed their recoverable amount (recovered by use or sale) is defined in IAS 36.
Goodwill and intangible assets with an indefinite useful life are tested for impairment at least once a year. The recoverable amount of other assets is estimated whenever there is an indication that they may be impaired.

Cash Generating Units (CGUs)

A cash generating unit is the smallest identifiable group of assets that includes the asset and that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.
The Group has defined its cash generating units as follows:

- for hypermarkets, supermarkets and discount stores, each store is treated as a separate CGU;
- for other networks, each network represents a separate CGU.

Impairment indicators

Apart from the external sources of data monitored by the Group (economic environment, market value of the assets, etc.), the impairment indicators used are based on the nature of the assets:

- land and buildings: loss of rent or early termination of a lease contract;
- operating assets related to the business (assets of the cash generating unit): ratio of net carrying amount of the assets related to a store divided by sales (including VAT), higher than a defined level determined separately for each store category;
- assets allocated to administrative activities (headquarters and warehouses): the closing of a site or the obsolescence of equipment used at the site.

Recoverable amount

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. It is generally determined separately for each asset. When this is not possible, the recoverable amount of the group of CGUs to which the asset belongs is used.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. In the retailing industry, fair value less costs to sell is generally determined on the basis of a sales or EBITDA multiple.

Value in use is the present value of the future cash flows expected to be derived from continuing use of an asset plus a terminal value. It is determined internally or by external experts on the basis of:

- cash flow projections contained in business plans or budgets covering no more than five years. Cash flows beyond the projection period are estimated by applying a constant or decreasing growth rate;
- the terminal value determined by applying a perpetual growth rate to the final year's cash flow projection.

The cash flows and terminal value are discounted at long-term after-tax market rates reflecting market estimates of the time value of money and the specific risks associated with the asset.

For goodwill impairment testing purposes, the recoverable amounts of CGUs or groups of CGUs are determined at the year end.

Impairment losses

An impairment loss is recognised when the carrying amount of an asset or the CGU to which it belongs is greater than its recoverable amount. Impairment losses are recorded as an expense under "Other operating income and expenses".

Impairment losses recognised in a prior period are reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. However, the increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment losses on goodwill cannot be reversed.

10.5.1 Movements for the year

The impairment losses recognised in 2015 on intangible assets and property, plant and equipment amounted to €122 million (including €46 million related to changes in the scope of consolidation of Franprix – Leader Price described in Note 3.1.3; €42 million arising from store closures or conversions in France and €10 million on IT developments in France).

As a reminder, the impairment tests carried out in 2014 led the Group to recognise an impairment loss of €46 million on intangible assets and property, plant and equipment (of which €27 million relates to impairment of IT assets in France and €5 million to impairment of Via Varejo stores in connection with the sale required for the authorisation of acquisition of control by the local competition authority, the CADE).

10.5.2 Goodwill impairment losses

Annual impairment testing consists of determining the recoverable values of the cash generating units (CGU) or groups of CGUs to which the goodwill is allocated and comparing them with the carrying amounts of the relevant assets. Goodwill arising on the initial acquisition of networks is allocated to the groups of CGUs in accordance with the classifications set out in Note 10.1.1. Some goodwill may also occasionally be allocated directly to CGUs.

For internal valuations, annual impairment testing generally consists of determining the recoverable amount of each CGU based on value in use, in accordance with the principles set out in Note 10.1. Value in use is determined by the discounted cash flows method, based on after-tax cash flows and using the following rates.

Parameters used for internal calculations of 2015 values in use

Region	2015 perpetual growth rate(i)	2015 after-tax discount rate(ii)	2014 perpetual growth rate(i)	2014 after-tax discount rate(ii)
France (retailing)(iii)	**1.5%**	**5.5%**	1.4%	5.5%(iv)
France (other activities)(iii)	**1.5% to 2%**	**5.5% to 7.3%**	1.4% to 1.9%	5.5% to 7.3%
Argentina	**10.2%**	**17.7%**	10.2%	17.1%
Brazil(iv)	**5.5%**	**11.3% to 13.6%**	6.5%	12.0% to 14.9%
Colombia(iv)	**3.5%**	**8.5%**	4.1%	9.4%
Uruguay	**8.5%**	**15.8%**	9.5%	16.2%
Thailand(iv)	**1.2%**	**6.3%**	1.4%	7.5%
Vietnam	**4.1%**	**12.0%**	7.0%	14.0%
Indian Ocean(v)	**1.5% to 5.2%**	**5.5% to 13.0%**	1.4% to 8%	5.5% to 15.0%

(i) The inflation-adjusted perpetual growth rate ranges from 0% to +0.5% depending on the nature of the CGU's business/banner.
(ii) The discount rate used corresponds to the weighted average cost of capital (WACC) for each country. WACC is calculated at least once a year during the annual impairment testing by taking account of the sector's levered beta, a market risk premium and the Group's cost of debt.
(iii) For the French retailing businesses, the discount rate also takes account of the CGU's type of business/banner and the associated operational risks.
(iv) As at 31 December 2015, the market capitalisation of the listed subsidiaries GPA, BIG C, Éxito and Cnova was €2,580 million, €4,246 million, €1,748 million, and €977 million, respectively. Aside from Cnova, they are lower than the carrying amount of their net assets.
(v) The Indian Ocean region includes Reunion, Mayotte, Madagascar and Mauritius. The discount rates used reflect the risks inherent in each of these regions.

No impairment loss was recognised as at 31 December 2015 from the annual goodwill impairment test conducted at the end of the year. An external appraisal confirmed that there was no loss of impairment value on the Franprix – Leader Price CGU subsequent to the test conducted by the Group.

With the exception of Franprix-Leader Price, in view of the positive difference between value in use and carrying amount, the Group believes that on the basis of reasonably foreseeable events, any changes in the key assumptions set out above would not lead to the recognition of an impairment loss. The Group considers reasonably foreseeable changes in key assumptions to be a 100-basis point increase in the discount rate or a 25-basis point decrease in the perpetual growth rate used to calculate terminal value or a 50-basis point decrease in the EBITDA margin for the cash flow projection used to calculate the terminal value. These sensitivity tests concerning the Disco/Devoto, Vindemia and Codim CGUs bring their recoverable value closer to their carrying amount.

With regard to Franprix-Leader Price, the recoverable value of this cash generating unit is determined based on a calculation of value in use, performed from cash flow projections based on financial budgets approved by executive management for a three-year period and a 5.5% discount rate (identical to 2014).

The cash flow projections for the budget period are based on the following assumptions:

- The continued improvement in customer traffic that began in the second quarter of 2015, mainly thanks to the commercial success of the Mandarine concept at Franprix and the adaptation of the price strategy at Leader Price, which increased traffic and volumes.
- The redeployment of a banner strategy based on a balance between integrated management stores and franchisees.
- The profitability of the two banners will increase, in particular with larger product volumes and by optimising store costs and upstream functions. The subsidiary thus estimates that its EBITDA margin will return to the historic recognised profitability by the end of 2018.

Management believes that a modification of a key assumption could result in a carrying amount greater than the recoverable value. The table below thus shows the amount of the individual variation of the key assumptions that would be required for the estimated recoverable value of the Franprix-Leader Price CGU to equal its carrying amount (of which €2,563 million in goodwill).

Change required for the Franprix-Leader Price CGU carrying amount to equal its recoverable amount	31 December 2015(1)	31 December 2014
After-tax discount rate (5.5%)	**+100 bp**	+90 bp
Perpetual growth rate (0.0%)	**-110 bp**	-90 bp
EBITDA margin for the cash flow projection	**-130 bp**	-90 bp

(1) With a reasonable change of a 100-point increase in the discount rate, or/and a 50-point decrease in the EBITDA margin for the cash flow projection, the carrying amount of the FPLP CGU would exceed its recoverable amount by between zero and €300 million.

10.5.3 Trademark impairment losses

For brands, recoverable amounts were estimated at the year-end using the "relief from royalty" method. The main trademarks concern the GPA and Via Varejo subsidiaries. Given the less favourable Brazilian economic situation, trademarks related to the Extra, Casas Bahia and Ponto Frio banners representing a total carrying amount of €927 million appear more sensitive to impairment risk. The tests did not reveal any evidence of impairment.

The main assumptions and sources of sensitivity of the recoverable values of these trademarks used during the tests relate to the growth in net sales, the discount rate (12.5%) and the royalty rates (between 0.6% and 0.9%). The following table shows the sensitivity tests:

Accumulated impairment as at 31 December 2015 (€ millions)	Extra	Casas Bahia	Ponto Frio
25 bp decrease in sales growth rate on projections	**(15)**	**-**	**-**
100 bp increase in discount rate after tax	**(57)**	**(29)**	**(5)**
10 bp decrease in royalty rate	**(67)**	**(15)**	**(3)**

Note 11 Financial structure and finance costs

Accounting principle

Financial assets

With the exception of assets measured at fair value through profit or loss, all financial assets are initially recognised at fair value.

Financial assets are classified as current if they are due in less than one year and non-current if they are due in more than one year.

The Group does not own any financial assets qualified as held-to-maturity financial assets.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

A financial asset is classified as a financial asset at fair value through profit or loss if it is classified as held for trading or designated as such on initial recognition. They are measured at fair value and any ensuing changes that take into account interest income and dividend income, is recognised as net profit.
The Group can thus designate its short-term investments at fair value right from the beginning.

LOANS AND RECEIVABLES

Loans and receivables are financial assets issued or acquired by the Group in exchange for cash, goods or services that are paid, delivered or rendered to a debtor. They are measured at amortised cost using the effective interest method. Long-term loans and receivables that are not interest-bearing or that bear interest at a below-market rate are discounted when the amounts involved are material. Any impairment losses are recognised in the income statement.
This category primarily includes trade receivables, liquid assets as well as other loans and receivables.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets correspond to all other financial assets. They are measured at fair value. Gains and losses arising from re-measurement at fair value are recognised in other comprehensive income until the asset is sold, collected or otherwise disposed of or until it is shown that the asset has been impaired on a material or long-term basis. In these cases, gains and losses that were previously recognised under other comprehensive income are transferred to profit or loss.
When the available-for-sale asset is an equity instrument, the impairment is permanent. Impairment losses on equity instruments are irreversible. Any subsequent changes in fair value are recognised directly in other comprehensive income.
When the available-for-sale asset is a debt instrument, a subsequent increase in fair value is recognised in the income statement for the impairment losses previously recognised in the income statement.
This category mainly comprises investments in non-consolidated companies.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and short-term investments.
To be classified as a cash equivalent under IAS 7, investment securities must fulfil four criteria, and namely be:

- short-term investments;
- highly liquid investments;
- readily convertible to known amounts of cash;
- subject to an insignificant risk of changes in value.

The Group usually uses term deposits of less than three months.

Derecognition of financial assets

Financial assets are derecognised in the following two cases:

- the contractual rights to the cash flows from the financial asset expire; or,
- the contractual rights are transferred and the transfer qualifies for derecognition:
  - when substantially all the risks and rewards of ownership of the financial asset are transferred, the asset is derecognised in full,
  - when substantially all the risks and rewards of ownership are retained by the Group, the financial asset continues to be recognised in the balance sheet for its total amount.

The Group has set up receivables discounting programmes with its banks. These programmes generally meet the conditions for derecognition of financial assets under IAS 39 described below. The Group considers as insignificant the risk of discounted receivables being cancelled by credit Notes or being set off against liabilities. The receivables discounted under the programmes mainly concern services invoiced by the Group under contracts with suppliers that reflect the volume of business done with the suppliers concerned. The other risks and rewards associated with the receivables have been transferred to the banks. Consequently, as substantially all the risks and rewards have been transferred at the reporting date, the receivables are derecognised. Certain subsidiaries retain responsibility for collecting assigned receivables.

Financial liabilities

Financial liabilities are classified as current if they are due in less than one year and non-current if they are due in more than one year.

Financial liabilities recognised at amortised cost

Borrowings and other financial liabilities at amortised cost are measured, at issue, at the fair value of the consideration received, and then at amortised cost, using the effective interest rate (EIR) method. Transaction costs, issue and redemption premiums directly attributable to the acquisition or issue of a financial liability are deducted from the value of said financial liability. Expenses are then amortised according to an actuarial method over the term of the liability by using the EIR rate.
Within the Group, some financial liabilities at amortised cost, in particular loans, are hedged.

Several subsidiaries have reverse factoring agreements with financial institutions in order to enable their suppliers to bring forward the payment of their receivables in the ordinary course of the purchases made.
The accounting policy relating to these transactions depends on whether or not the characteristics of the liabilities concerned have been changed. For example, when trade payables are not substantially modified (term and maturity, consideration, face value) they continue to be considered as trade payables. Otherwise, they are similar to a finance transaction and are presented in the “Trade payables – structured program” component of financial liabilities.

Financial liabilities at fair value through profit or loss

These are financial liabilities intended to be held on a short-term basis for trading purposes. They are measured at fair value and gains and losses arising from remeasurement at fair value are recognised in the income statement. The Group does not recognise any financial liabilities at fair value through profit or loss.
The recognition of “put options granted to owners of non-controlling interests” is presented in Note 3.4.1.

Derivative financial instruments

All derivative instruments are recognised in the statement of financial position and measured at fair value.

Derivative financial instruments that qualify for hedge accounting: recognition and presentation

In accordance with IAS 39, the Group applies hedge accounting to:

- fair value hedges (for example, swaps to convert fixed rate debt to variable rate). In this case, the debt is recognised at fair value up to the risk hedged, and any change in fair value is recognised in profit or loss. Gains and losses arising from remeasurement at fair value of the derivative are also recognised in profit or loss. If the hedge is entirely effective, the loss or gain on the hedged debt is offset by the gain or loss on the derivative;
- cash flow hedges (for example, swaps to convert floating rate debt to fixed rate, hedging a budgeted foreign currency denominated purchase). For these hedges, the ineffective portion of the change in the fair value of the derivative is recognised in profit and loss and the effective portion is recognised in other comprehensive income on a symmetrical basis with the hedged cash flows and under the same line item as the hedged item (i.e. trading profit for hedges of cash flows from operating activities and net financial profit or loss for other hedges);
- hedges of net investments in foreign operations. For these hedges, the effective portion of the change in fair value attributable to the hedged foreign currency risk is recognised net of tax in other comprehensive income and the ineffective portion is recognised directly in net financial profit or loss. Gains or losses accumulated in other comprehensive income are reclassified to profit or loss on the date of liquidation or disposal of the net investment.

Hedge accounting may only be used if:

- the hedging relationship is clearly defined and documented at inception; and
- the effectiveness of the hedge can be demonstrated at inception and throughout its life.

DERIVATIVE FINANCIAL INSTRUMENTS THAT DO NOT QUALIFY FOR HEDGE ACCOUNTING: RECOGNITION AND PRESENTATION

When a derivative financial instrument does not qualify or no longer qualifies for hedge accounting, its successive changes in fair value are recognised directly in profit or loss for the period under "Other financial income and expenses".

Definition of net financial debt

Net financial debt corresponds to loans and other borrowings including hedges derivatives liabilities and trade payables – structured program, less (i) cash and cash equivalents, (ii) financial assets held for cash management purposes and financial investments, (iii) hedges derivative assets, (iv) financial assets arising from a significant disposal of non-current assets and (v) net assets held for sale attributable to owners of the parent.
In 2015, the Group revised the definition of net debt, primarily with respect to net assets held for sale under its deleveraging plan and put options granted to owners of non-controlling interests.

11.1 Net cash and cash equivalents

11.1.1 Breakdown

(€ millions)	2015	2014
Cash equivalents	**2,951**	4,225
Cash	**1,637**	3,134
Cash and cash equivalents	**4,588**	**7,359**
Bank overdrafts	**(183)**	(162)
Net cash and cash equivalents	**4,405**	**7,197**

As of December 31, 2015, cash and cash equivalents are not subject to any material restriction. Bank guarantees are presented in the note 6.10.1.

11.1.2 Breakdown of cash and cash equivalents by currency

(€ millions)	2015	%	2014	%
Euro	**1,134**	**25%**	2,160	29%
US dollar	**94**	**2%**	120	2%
Brazilian real	**2,893**	**63%**	3,721	51%
Thai baht	**122**	**3%**	299	4%
Colombian peso	**252**	**5%**	866	12%
Vietnamese dong	**-**	**0%**	114	2%
Other	**93**	**2%**	79	1%
Cash and cash equivalents	**4,588**	**100%**	**7,359**	**100%**

11.2 Financial liabilities

Financial liabilities amounted to €11,735 million as at 31 December 2015 (€13,686 million as at 31 December 2014), broken down as follows:

(€ millions)	Note	2015 Non-current portion	2015 Current portion	2015 Total	2014 Non-current portion	2014 Current portion	2014 Total
Bonds	11.2.2	**7,458**	**370**	**7,828**	7,962	1,595	9,557
Other borrowings and financial liabilities	11.2.3	**2,064**	**1,506**	**3,570**	1,135	2,875	4,010
Trade payables - structured program (i)		**-**	**245**	**245**	-	-	-
Finance leases	7.6	**65**	**15**	**81**	87	18	105
Fair value hedges and cash flow hedges – liabilities	11.6.1	**7**	**4**	**11**	2	12	14
Financial liabilities		**9,594**	**2,140**	**11,735**	**9,186**	**4,501**	**13,686**
Fair value hedges and cash flow hedges – assets (see Note 11.6.1)		**(418)**	**(258)**	**(675)**	(430)	(136)	(567)
Other financial assets (see Note 6.8.1)		**-**	**(83)**	**(83)**	-	-	-
Assets held for sale net of related liabilities, attributable to owners of the parent (see Note 3.5)		**-**	**(315)**	**(315)**	-	(28)	(28)
Cash and cash equivalents		**-**	**(4,588)**	**(4,588)**	-	(7,359)	(7,359)
Cash and cash equivalents, other financial assets and net assets held for sale		**(418)**	**(5,244)**	**(5,662)**	**(430)**	**(7,523)**	**(7,954)**
NET DEBT(ii)		**9,177**	**(3,104)**	**6,073**	**8,755**	**(3,022)**	**5,733**

(i) Correspond to the trade payables – structured program as defined in the accounting principle of Note 11 and relating to Via Varejo.
(ii) As defined by the Group in Note 11. The net debt of 2014 was restated accordingly with €62 million for “put options granted to owners of non-controlling interests” and €28 million for “assets held for sale net of related liabilities, attributable to owners of the parent”.

BREAKDOWN OF NET DEBT

(€ millions)	2015 Financial debt (iv)	2015 Cash and cash equivalents	2015 Net assets classified under IFRS 5 attributable to owners of the parent	2015 Net debt	2014 Financial debt (iv)	2014 Cash and cash equivalents	2014 Net assets classified under IFRS 5 attributable to owners of the parent	2014 Net debt
France Retail	**7,787**	**(1,681)**	**(24)**	**6,081**	**10,099**	**(2,474)**	**(26)**	**7,598**
Latam Retail	**2,231**	**(1,236)**	**(2)**	**993**	**1,881**	**(2,530)**	**(1)**	**(650)**
of which food GPA	*1,091*	*(864)*	*-*	*227*	*1,908*	*(1,562)*	*(1)*	*345*
of which Éxito(i)	*1,140*	*(372)*	*(2)*	*766*	*(27)*	*(968)*	*-*	*(995)*
Latam Electronics	**427**	**(1,294)**	**-**	**(867)**	**258**	**(1,381)**	**-**	**(1,124)**
Asia	**559**	**(188)**	**(225)**	**146**	**856**	**(404)**	**-**	**452**
of which Thailand	*306*	*(60)*	*-*	*246*	*623*	*(286)*	*-*	*337*
of which Vietnam(ii)	*253*	*(128)*	*(225)*	*(100)*	*233*	*(118)*	*-*	*115*
E-commerce (ii)	**39**	**(318)**	**(1)**	**(280)**	**26**	**(570)**	**-**	**(544)**
Total	**11,042**	**(4,718)**	**(252)**	**6,073**	**13,119**	**(7,359)**	**(28)**	**5,733**
Cash after intra-group elimination of Retail and E-commerce activities of Vietnam classified under IFRS 5 (ii)	(66)	129	(63)	-	**-**	**-**	**-**	**-**
Net debt	**10,976**	**(4,588)**	**(315)**	**6,073**	**13,119**	**(7,359)**	**(28)**	**5,733**

(i) Éxito excluding GPA, including Argentina and Uruguay
(ii) Given the Big C Vietnam sales process (announced to the market on 15 December 2015 – see note 2), the Group has decided to apply IFRS 5 to its Vietnamese businesses (included Cdiscount Vietnam). The cash position of these two activities (€63 million at 31 December 2015) is reclassified under “assets held for sale” under IFRS 5
(iii) In compliance with the “net debt” definition describe in the Note 11 accounting principles, the net debt include the net assets held for sale attributable to owners of the parent (€287 million after intra-group elimination and after reclassification of cash as explicated in (ii) above, a total impact of €225 million). In conclusion, Retail activity of Vietnam have a positive contribution of €100 million on the consolidated net debt, this amount corresponding to the net asset value before intra-group debt elimination for €189 million of Big C Vietnam against Casino (see note 3.5)
(iv) Correspond to financial liabilities net of fair value and cash flow hedge derivative assets and others financial assets

11.2.1 Change in financial liabilities

(€ millions)	2015	2014
Financial liabilities as at 1 January	*13,686*	*11,018*
Fair value hedges – assets	*(567)*	*(291)*
Financial liabilities as at 1 January (including hedging instruments)	**13,119**	**10,727**
New borrowings(i)	**3,201**	3,622
Repayments (ii)	**(4,911)**	(1,348)
Change in fair value of hedged debt	**(45)**	11
Foreign currency translation adjustments	**(500)**	101
Changes in scope of consolidation	**26**	16
Financial liabilities associated with non-current assets held for sale	**(66)**	-
Other and reclassifications(iii)	**236**	(10)
Financial liabilities as at 31 December (including fair value hedges and cash flow hedges)	**11,059**	**13,119**
Financial liabilities as at 31 December	*11,735*	*13,686*
Fair value hedges and cash flow hedges – assets	*(675)*	*(567)*

(i) In 2015, new loans primarily comprised the transactions described below: (a) the use of €625 million of credit facilities by Casino, Guichard-Perrachon, (b) the taking out of new loans for Brazilian subsidiaries for €743 million, and (c) the taking out of new loans by Éxito as part of the reorganisation of its activities in Latin America for €1,785 million. In 2014, new borrowings mainly stemmed from the following transactions: (a) new bond issues by Casino, Guichard-Perrachon totalling €1,550 million, (b) net change of €891 million in short-term commercial paper, (c) new loans of Brazilian subsidiaries of €610 million, and (d) the bond exchange, resulting in a net increase of €299 million.

(ii) In 2015, loan repayments mainly concerned Casino for €2,327 million (broken down into €750 million, €869 million and €707 million as repayment of a bond, net change in short-term commercial paper and repayments for loans and credit facilities, respectively), GPA for €1,144 million, Big C Thailand for €333 million and Éxito for €633 million. In 2014, loan repayments were mainly related to Casino, Guichard-Perrachon, GPA, Franprix-Leader Price and Big C Thailand for €551 million, €552 million, €102 million and €108 million, respectively.

(iii) Including €285 million of contractual trade payables in 2015.

11.2.2 Bonds

(€ millions)	Principal	Interest rate (ii)	Effective interest rate	Issue date	Maturity date	2015 (iii)	2014 (iii)
Bonds in euros (i)	***7,346***					***7,620***	***8,422***
2015 bonds	750	F: 5.50	5.60%	July 2009	January 2015	**-**	752
2016 bonds	386	F: 4.47	4.58%	October 2011	April 2016	**387**	388
2017 bonds	552	F: 4.38	5.85%	February 2010	February 2017	**552**	551
2018 bonds	508	F: 4.48	5.25%	May 2010	November 2018	**538**	543
2019 bonds	1,000	F: 3.16	2.83%	August 2012 April 2013	August 2019	**1,050**	1,054
2020 bonds	600	F: 3.99	4.05%	March 2012	March 2020	**638**	642
2021 bonds	850	F: 4.73	5.13%	May 2011	May 2021	**906**	912
2023 bonds	1000	F: 3.31	3.23%	January 2013 April 2013	January 2023	**1,084**	1,097
2024 bonds	900	F: 3.25	4.16%	March 2014	March 2024	**903**	908
2025 bonds	650	F: 2.33	2.37%	December 2014	February 2025	**649**	647
2026 bonds	900	F: 2.80	2.84%	August 2014	August 2026	**914**	928
Bonds in COP (i)	***-***					**-**	***52***
Carulla bond issue	52	V: CPI +7.50%	CPI +7.50%	May -2005	May 2015	**-**	52
Bonds in BRL (i)	***209***					**208**	***1,084***
GPA bond issue	248	V: 108.5% CDI	108.5% CDI	December 2011	June 2015	**-**	248
GPA bond issue	124	V: 100% CDI + 1%	100% CDI + 1%	January 2012	July 2015	**-**	124
GPA bond issue	372	V: CDI + 1%	CDI + 1%	May 2012	November 2015	**-**	372
GPA bond issue	62	V: CDI + 0.72%	V: CDI + 0.72%	June 2012	January 2015	**-**	62
GPA bond issue	209	V: 107.0% CDI	107.0% CDI	September 2014	September 2019	**208**	278
Total bonds						**7,828**	**9,557**

(i) Corresponds to the principal of the bonds outstanding as at 31 December 2015.
(ii) F (Fixed rate) – V (Variable rate) – CPI (Consumer Price Index) – CDI (Certificado de Depósito Interbancario).
(iii) The amounts above include any impact on fair value hedges that have been converted by interest rate swaps. The amounts are presented without accrued interest.

11.2.3 Other borrowings

(€ millions)	Principal	Type of rate	Issue date	Maturity date	2015	2014
France						
Alaméa	*300*	*Variable*	*April 2010*	*April 2015*	**-**	*300*
Commercial paper (Casino, Guichard-Perrachon)	*424*	*Fixed*	*(iii)*	*(iii)*	**424**	*1,294*
Other Casino Finance borrowings	*100*	*Variable*	*May 2014 to October 2014*	*December 2015*	**-**	*100*
Other Franprix-Leader Price bonds	*139*	*Variable/Fixed(iv)*	*2009 to 2015*	*2017 to 2021*	**74**	*164*
Monoprix(i)	*21*	*Variable*	*December 2013*	*December 2016*	**21**	*53*
Other					**26**	*25*
International						
GPA	*848*	*Variable(vi)/Fixed(v)*	*February 2008 to December 2014*	*January 2015 to November 2026*	**902**	*860*
Via Varejo	*154*				**182**	*29*
BIG C Thailand	*866*	*Variable*	*July 2015 to December 2015*	*December 2016 to July 2019*	**305**	*618*
Éxito	*1,188*	*Variable(vi)*	*July 2015 to December 2015*	*December 2015 to December 2025*	**1,182**	-
Other					**2**	*75*
Bank overdrafts(vii)					**183**	162
Accrued interest(ii)					**269**	330
Total other borrowings					**3,570**	**4,010**

(i) Corresponds to the debt component of the Monoprix mandatory convertible bonds (MCB).
(ii) Accrued interest relates to all financial liabilities including bonds. As at 31 December 2015, this accrued interest primarily concerned Casino, Guichard-Perrachon (€174 million) and GPA (€88 million).
(iii) These commercial papers are short-term financing that usually mature in less than three months.
(iv) Of which fixed-rate loans amounting to €10 million as at 31 December 2015 compared with €11 million as at 31 December 2014.
(v) Of which fixed-rate loans amounting to €4 million as at 31 December 2015 compared with €28 million as at 31 December 2014.
(vi) GPA and Éxito's variable-rate loans are mostly remunerated on the basis of CDI and IBR, respectively.
(vii) Overdrafts are mostly in France.

CONFIRMED BANK LINES OF CREDIT 2015

(€ millions)	Interest rate	Due: Within one year	Due: More than one year	Amount of the facility	Drawdowns
Casino, Guichard-Perrachon syndicated credit lines(i)	**Variable(i)**	**-**	**2,119**	**2,119**	**-**
Casino, Guichard-Perrachon bilateral credit lines	**Variable(ii)**	**225**	**900**	**1,125**	**-**
Other confirmed bank credit lines(iv)	**Variable(iii)**	**604**	**668**	**1,271**	**-**

(i) Syndicated credit lines comprise the €1.2 billion line the maturity of which was extended in 2015 to February 2020, and the US$1 billion credit line that matures in July 2018 and which are remunerated based on the Euribor + a margin that varies depending on the amount of the drawdown and depending on the Group's net debt to EBITDA ratio.
(ii) Bilateral credit lines are remunerated on the basis of Euribor + a margin. For some credit lines, the margin varies depending on the amount drawn down (for lines totalling €300 million) and/or the level of the net debt to EBITDA ratio (for lines totalling €250 million line). The cost of utilisation of lines totalling €500 million depends on the Group's rating and the amount drawn down.
(iii) Interest on the other lines is based on the reference rate (depends on the currency of the credit line) + a margin. For some lines, the margin varies depending on the subsidiary's level of net debt to EBITDA ratio (for lines totalling €370 million) and/or the amount drawn down (or lines totalling €450 million line).
(iv) The other confirmed bank credit lines concerned Monoprix, GPA, Éxito and Big C (at €610 million, €313 million, €145 million and €204 million, respectively).

11.3 Other liabilities

	2015			2014		
	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Derivative instruments - liabilities (see Note 11.6.1)(i)	**251**	**268**	**519**	193	5	198
Accrued tax and employee-related liabilities	**142**	**1,586**	**1,728**	205	1,718	1,923
Sundry liabilities	**40**	**1,169**	**1,208**	19	1,126	1,145
Amounts due to suppliers of fixed assets	**20**	**299**	**319**	22	256	277
Current account advances	**-**	**4**	**4**	-	13	13
Finance payables (Via Varejo)	**39**	**535**	**574**	42	851	893
Deferred income(ii)	**295**	**265**	**560**	265	178	443
TOTAL	**786**	**4,126**	**4,911**	**745**	**4,147**	**4,892**

(i) Primarily comprises the fair value of total return swaps (TRS) and forward instruments (see Note 11.4.2).

(ii) Includes deferred income recognised in the Via Varejo subsidiary following collection of an advance payment of 850 million Brazilian reals (€264 million) in 2014, related to an agreement for the exclusive sale of extended warranties with Zurich Minas Brasil Seguros S.A. As at 31 December 2015, the amount of the deferred income was 777 million Brazilian reals (€180 million). Via Varejo had previously terminated the contract with the prior provider of extended warranties in advance, (a) paying it compensation of 186 million Brazilian reals (€57 million) recognised in intangible assets and (b) reimbursing it for an advance payment of 398 million Brazilian reals (€123 million).
Furthermore, in connection with the renegotiation with Bradesco of the credit card issue agreement in Casas Bahia stores, Via Varejo had received an advance payment of 704 million Brazilian reals (€163 million) recognised as deferred income, compared with 699 Brazilian reals (€162 million as at 31 December 2015).

11.4 Net financial income (expense)

Accounting principle

Net finance costs

Net finance costs correspond to all income and expenses generated by cash and cash equivalents and financing during the period, including gains and losses on disposals of cash equivalents, gains and losses on interest rate and currency hedges associated, as well as interest expense related to finance leases.

Other financial income and expenses

This item corresponds to financial income and expenses that are not included in net finance costs.
It consists mainly of dividends from non-consolidated companies, gains and losses arising from remeasurement at fair value of financial assets other than cash and cash equivalents and of equity derivatives, discounting adjustments (including to provisions for retirement and other post-employment benefit obligations), exchange gains and losses and gains and losses on disposal of financial assets on items not included in net finance costs.
Cash discounts are recognised in financial income for the portion corresponding to the normal market interest rate and as a deduction from cost of goods sold for the balance.

11.4.1 Net finance costs

(€ millions)	2015	2014
Gains (losses) on disposals of cash equivalents	**-**	-
Income from cash and cash equivalents	**166**	204
Income from cash and cash equivalents	**166**	**204**
Interest expense on borrowings after hedging (i)	**(726)**	(832)
Interest expense on finance lease liabilities	**(8)**	(12)
Finance costs	**(735)**	**(844)**
Net finance costs	**(569)**	**(640)**

(i) In 2015, income of €11 million was recognised as a result of an amendment relating to bonds redeemable in Monoprix preferred shares, which reduced the interest rate (6-month Euribor + 4.1%).

11.4.2 Other financial income and expenses

(€ millions)	2015	2014
Investment income	-	1
Foreign currency exchange gains (other than on borrowings)	98	17
Discounting and accretion adjustments	2	3
Gains on remeasurement to fair value of non-hedge derivative instruments (i)	8	44
Other financial income	130	88
Financial income	**238**	**152**
Foreign currency exchange losses (other than on borrowings)	(37)	(15)
Discounting and accretion adjustments	(15)	(17)
Losses on remeasurement to fair value of non-hedge derivative instruments (i)	(335)	(74)
Losses on remeasurement to fair value of financial assets at fair value through profit or loss	-	-
Other financial expenses	(99)	(84)
Financial expenses	**(487)**	**(190)**
Total other financial income and expenses	**(249)**	**(38)**

(i) In 2015, the net expense of €327 million was primarily due to the fair value adjustments to the Big C Thailand (-€17 million) and GPA (-€162 million) total return swaps (TRS) and the GPA forward (-€154 million). In 2014, the net expense of €30 million was primarily due to the fair value adjustments to the Big C Thailand (+€37 million) and GPA (-€23 million) total return swaps (TRS) and the GPA forward (-€47 million).

In December 2011, the Group entered into a 2.5-year TRS with a financial institution covering 7.9 million of GPA American Depositary Receipts (ADRs). The contract will be settled in cash. Following a change during 2014, this instrument now has an interest rate of 3-month Euribor + 2.61% and falls due in July 2017. This TRS is a derivative instrument measured at fair value through profit or loss. As at 31 December 2015, the instrument covered 7.8 million ADRs (representing 2.9% of GPA's share capital) and a notional amount of €332 million and presented a negative fair value of €247 million (against 7.8 million ADRs, a notional amount of €332 million and a negative fair value of €96 million as at 31 December 2014).

At the end of December 2012, the Group entered into a 2-year forward contract on 5.8 million GPA shares. The contract will be settled in cash. Following a change to the forward entry price in 2014, Casino received the sum of €7 million. In addition, the instrument now pays interest at 3-month Libor + 2.50% and falls due in December 2016. It is a derivative instrument measured at fair value through profit or loss. As at 31 December 2015, the instrument covered 5.8 million ADRs (representing 2.2% of GPA's share capital), a notional amount of US$338 million (€310 million) and presented a negative fair value of €248 million (against 5.8 million ADRs, a notional amount of €333 million and a negative fair value of €97 million as at 31 December 2014).

In 2012, the Group entered into a TRS with a financial institution covering 20.6 million Big C Thailand shares. The contract will be settled in cash. Following a change to the TRS entry price in 2014, Casino received €17 million, respectively. In addition, the instrument now pays interest at 3-month Euribor + 2.23% and falls due in July 2016. This TRS is a derivative instrument measured at fair value through profit or loss. As at 31 December 2015, the instrument presented a notional amount of €127 million and a negative fair value of €21 million (against a notional amount of €127 million and a negative fair value of €5 million as at 31 December 2014).

The fair value of these instruments amounted to -€516 million as at 31 December 2015 (2014: -€198 million) (see Note 11.6.1).

11.5 Fair value of financial instruments

Accounting principle

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2);
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of financial instruments traded in an active market is the quoted price on the reporting date. A market is considered as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are classified as Level 1.

The fair value of financial instruments which are not quoted in an active market (such as over-the-counter derivatives) is determined using valuation techniques. These techniques use observable market data wherever possible and make little use of the Group's own estimates. If all the inputs required to calculate fair value are observable, the instrument is classified as Level 2.

If one or more significant inputs are not based on observable market data, the instrument is classified as Level 3.

11.5.1 Financial assets and liabilities by category of instrument

FINANCIAL ASSETS

The following table shows financial assets by category.
The Group does not hold assets that would be classified in the categories "financial assets at fair value through profit or loss" or "held-to-maturity financial assets".

(€ millions)	Total financial assets	Breakdown by category of instrument				
		Held-for-trading financial assets	Hedging instruments	Loans and receivables	AFS – measured at fair value	AFS – measured at cost
31 December 2015						
Other non-current assets (i)	**1,081**	**-**	**418**	**623**	**36**	**4**
Trade receivables	**1,287**	**-**	**-**	**1,287**	**-**	**-**
Other current assets (i)	**1,218**	**-**	**258**	**961**	**-**	**-**
Cash and cash equivalents	**4,588**	**181**	**-**	**4,407**	**-**	**-**
31 December 2014						
Other non-current assets (i)	**1,288**	-	430	770	37	51
Trade receivables	**1,513**	-	-	1,513	-	-
Other current assets (i)	**1,151**	-	161	990	-	-
Cash and cash equivalents	**7,359**	422	-	6,937	-	-

(i) Excluding non-financial assets.

FINANCIAL LIABILITIES

The following table shows financial liabilities by category.

(€ millions)	Total financial liabilities	Breakdown by category of instrument		
		Liabilities at amortised cost	Liabilities associated with non-controlling puts	Derivative financial instruments
31 December 2015				
Bonds	**7,828**	**7,828**	**-**	**-**
Other borrowings and financial liabilities	**3,826**	**3,815**	**-**	**11**
Put options granted to owners of non-controlling interests	**151**	**-**	**151**	**-**
Finance leases	**81**	**81**	**-**	**-**
Trade payables	**8,073**	**8,073**	**-**	**-**
Other liabilities (i)	**3,290**	**2,771**	**-**	**519**
31 December 2014				
Bonds	**9,557**	9,557	-	-
Other borrowings and financial liabilities	**4,024**	4,010	-	14
Put options granted to owners of non-controlling interests	**62**	-	62	-
Finance leases	**105**	105	-	-
Trade payables	**8,323**	8,323	-	-
Other liabilities (i)	**3,016**	2,818	-	198

(i) Excluding non-financial liabilities.

11.5.2 Fair value hierarchy for assets and liabilities

The tables below compare the carrying amount and fair value of consolidated financial assets and liabilities, other than those for which the carrying amount corresponds to reasonable approximations of the fair values such as trade receivables, trade payables, cash and cash equivalents and bank overdrafts. The fair value of investment properties is shown in Note 10.4.

31 December 2015 (€ millions)	Carrying amount	Fair value	Fair value hierarchy		
			Market price = Level 1	Models with observable inputs = Level 2	Models with unobservable inputs = Level 3
Assets	**712**	**712**	**-**	**675**	**36**
Available-for-sale financial assets (i)	**36**	**36**	**-**	**-**	**36**
Fair value hedges – assets (ii)	**648**	**648**	**-**	**648**	**-**
Other derivative instruments – assets	**27**	**27**	**-**	**27**	**-**
Liabilities	**12,405**	**12,375**	**7,817**	**4,407**	**151**
Bonds (iii)	**7,828**	**7,817**	**7,817**	**-**	**-**
Other borrowings and finance leases (iv)	**3,896**	**3,877**	**-**	**3,877**	**-**
Fair value hedges – liabilities (ii)	**11**	**11**	**-**	**11**	**-**
Other derivative instruments – liabilities (ii)	**519**	**519**	**-**	**519**	**-**
Put options granted to owners of non-controlling interests (v)	**151**	**151**	**-**	**-**	**151**

31 December 2014 (€ millions)	Carrying amount	Fair value	Fair value hierarchy		
			Market price = Level 1	Models with observable inputs = Level 2	Models with unobservable inputs = Level 3
Assets	**628**	**628**	**-**	**591**	**37**
Available-for-sale financial assets (i)	37	37	-	-	37
Fair value hedges – assets (ii)	567	567	-	567	-
Other derivative instruments – assets	25	25	-	25	-
Liabilities	**13,946**	**14,738**	**10,343**	**4,332**	**62**
Bonds (iii)	9,557	10,343	10,343	-	-
Other borrowings (iv)	4,115	4,120	-	4,120	-
Fair value hedges – liabilities (ii)	14	14	-	14	-
Other derivative instruments – liabilities (ii)	198	198	-	198	-
Put options granted to owners of non-controlling interests (v)	62	62	-	-	62

(i) The fair value of available-for-sale financial assets is generally measured using standard methods of analysis. If their fair value cannot be determined reliably, they are not included in this note.

(ii) Derivative financial instruments are valued (internally or externally) on the basis of the widely used valuation techniques for this type of instrument. Valuation models are based on observable market inputs (mainly the yield curve) and counterparty quality.

(iii) The fair value of bonds issued was based on the latest known quoted price on the reporting date.

(iv) The fair value of other borrowings has been measured on the basis of other valuation methods such as the discounted cash flow method and taking into account the Group's credit risk and interest rate conditions on the reporting date.

(v) The fair value of put options granted to owners of non-controlling interests is measured by applying the contract's calculation formulae and is discounted, if necessary; these formulae are considered to be representative of the fair value and notably use EBITDA multiples.

11.6 Financial risk management objectives and policies

The main risks associated with the Group's financial instruments are market risks (currency risk, interest rate risk and equity risk), counterparty risk and liquidity risk.

Financial risk monitoring and management is the responsibility of the Corporate Finance department, which is part of the Group Finance department. This team manages all financial exposures in coordination with the finance departments of the Group's main subsidiaries and reports to executive management. It has issued a Good Financial Practice Guide governing all financing, investment and hedging transactions carried out by Group entities.

The Group uses derivative financial instruments such as interest rate swaps and forward currency transactions to manage its exposure to interest rate risks and currency risks. These instruments are mainly over-the-counter instruments transacted with first-class bank counterparties. Most of these transactions or derivative instruments qualify for hedge accounting.
However, like many other large corporates, the Group may take very small, strictly controlled speculative positions as part of its hedging policy, for more dynamic and versatile management of its interest rate positions.

11.6.1 Breakdown of derivative financial instruments

The table below shows a breakdown of derivative financial instruments by type of risk and accounting classification:

(€ millions)	Note	2015	Interest rate risk	Currency risk	Other market risks	2014
Derivatives – assets						
Derivatives at fair value through profit or loss		**-**	**-**	**-**	**-**	-
Cash flow hedges	6.8.1 – 11.2	**27**	**-**	**27**	**-**	25
Fair value hedges	11.2	**648**	**457**	**192**	**-**	567
Total derivatives – assets		**675**	**457**	**218**	**-**	**591**
of which non-current		***418***	***355***	***62***	**-**	*430*
of which current		***258***	***101***	***156***	**-**	*161*

(€ millions)	Note	2015	Interest rate risk	Currency risk	Other market risks	2014
Derivatives – liabilities						
Derivatives at fair value through profit or loss	11.3	**519**	**-**	**-**	**519**	198
Cash flow hedges		**-**	**-**	**-**	**-**	-
Fair value hedges	11.2	**11**	**5**	**6**	**-**	14
Total derivatives – liabilities		**530**	**6**	**6**	**519**	**212**
of which non-current		***257***	***2***	***5***	***251***	*195*
of which current		***273***	***4***	***1***	***268***	*17*

As at 31 December 2015, fair value hedge derivatives presented a net balance of €637 million (including €457 million in France and €168 million in Brazil). The ineffective portion of these fair value hedges is not material.

As at 31 December 2015, the IFRS cash flow hedge reserve totalled €27 million compared with €25 million as at 31 December 2014. These derivatives relate to France. The ineffective portion of these cash flow hedges is not material.

The fair value of derivative instruments that do not qualify for hedge accounting under IAS 39 amounted to -€519 million as at 31 December 2015 (-€198 million as at 31 December 2014); they consisted of -€516 million in TRS and forward in 2015 (2014: -€198 million) (see Note 11.4.2).

The appraisal of derivatives as at 31 December 2015 was carried out taking into account the credit valuation adjustment (CVA) and the debit valuation adjustment (DVA) in accordance with IFRS 13. The impact of these adjustments is not material.

11.6.2 Market risk

INTEREST RATE RISK

The Group's objective is to manage its exposure to the risk of interest rate changes and optimise its financing cost. Its strategy therefore consists of dynamically managing debt by monitoring and, where necessary, adjusting its hedging ratio based on forecast trends in interest rates.

Various derivative instruments are used to manage interest rate risks. The main instruments used are interest rate swaps. Group financial policy consists of managing finance costs by combining variable and fixed-rate derivative instruments. These instruments do not always qualify for hedge accounting; however all interest-rate instruments are used in connection with the above risk management policy.

Specifically, the gross debt of Casino, Guichard-Perrachon is mainly composed of fixed-rate bonds (principal amount of €7,346 million as at 31 December 2015). This bond debt is mostly hedged through interest rate swaps which give exposure to floating rate, usually contracted at the issue date; all of these hedges qualify for hedge accounting.

As at 31 December 2015, Casino, Guichard-Perrachon had a portfolio of 94 interest rate swaps with around 15 bank counterparties, representing a total value of €6,896 million in floating-rate exposure and €500 million in fixed-rate exposure. These instruments mature between 2016 and 2026.

Sensitivity analysis to a change in interest rates

Sensitivity to rate changes is calculated as shown in the table below.

(€ millions)	2015	2014
Bonds		
Casino, Guichard Perrachon floating-rate bonds[1]	**6,396**	7,146
Floating-rate bonds in Brazil (see Note 11.2.2)[2]	**209**	1,084
Floating-rate bonds in Colombia (see Note 11.2.2)[2]	**-**	52
Total floating-rate bonds	**6,605**	**8,282**
Other borrowings and financial liabilities		
Other floating-rate borrowings and financial liabilities (see Note 11.2.3)[3][4]	**2,864**	2,275
Finance leases (see Note 7.6)	**81**	105
Total other borrowings and financial liabilities	**2,944**	**2,380**
Cash and cash equivalents (Note 11.1.1)	(4,588)	(7,359)
Net floating-rate position	**4,961**	**3,303**
Effect of a 1-point change in interest rates	**50**	33
Net finance costs	**569**	640
Impact of change on net finance costs	**8.7%**	**5.2%**

(1) Corresponds to fixed-rate bonds for a principal amount of €7,346 million (see Note 11.2.2), subject to interest-rate hedging for a net nominal amount of €6,396 million as at 31 December 2015.
(2) Principal amount.
(3) Excluding accrued interest.
(4) For Brazil, this includes fixed-rate debt issued in dollars or euros for BRL3,171 million (€735 million), converted to floating rate using currency swaps for the same amount (in 2014: BRL897 million, or €278 million).

Assuming the net debt structure and management policy are constant, a uniform annual increase in rates of 100 basis points would lead to an 8.7% increase in finance costs (i.e. an increase of €50 million). A 100 basis point fall in rates would have the opposite effect. For the purposes of the analysis, all other variables, particularly exchange rates, are assumed to be constant.

Exposure to currency risk

Due to its geographical diversification, the Group is exposed to currency translation risk; in other words, its statement of financial position and income statement, and consequently its financial ratios, are sensitive to movements in exchange rates on consolidation of the financial statements of its foreign subsidiaries outside the euro zone. It is also exposed to currency risk on transactions not denominated in euros.

The Group's policy in this respect is to hedge highly probable budgeted exposures, which mainly involve purchases made in a currency other than its functional currency and particularly purchases in US dollars. Substantially all budgeted purchases are hedged using forward currency purchases and currency swaps with the same maturities as the underlying transactions.

The Group's net exposure based on notional amounts after hedging is mainly to the following currencies (excluding the functional currencies of entities):

(€ millions)	Total exposure 2015	Of which USD	Total exposure 2014
Trade receivables exposed	**(20)**	**(19)**	(9)
Other financial assets exposed	**(118)**	**(91)**	(125)
Trade payables exposed	**158**	**140**	170
Financial liabilities exposed	**1,202**	**1,152**	245
Gross exposure payable/(receivable)	**1,221**	**1,183**	**280**
Trade receivables hedged	**-**	**-**	-
Other financial assets hedged	**(33)**	**(33)**	(7)
Trade payables hedged	**25**	**25**	90
Financial liabilities hedged	**787**	**737**	232
Net exposure payable/(receivable)	**442**	**454**	**(35)**
Future purchase hedges	**275**		**225**

As at 31 December 2015, the net statement of financial position exposure of €442 million mainly concerned the US dollar.

Sensitivity of net exposure after currency hedging

A 10% appreciation of the euro against those currencies as at 31 December 2015 would have increased profit by the amounts shown in the table below (but would have reduced it in 2014). For the purposes of the analysis, all other variables, particularly interest rates, are assumed to be constant.

A 10% depreciation of the euro against those currencies as at 31 December 2015 and 2014 would have produced the opposite effect.

(€ millions)	2015	2014
US dollar	**45**	(2)
Other currencies	**(1)**	(1)
Total	**44**	**(4)**

Exchange rates against the euro

Exchange rates against the euro	2015		2014	
	Closing rate	**Average rate**	Closing rate	Average rate
Brazilian real (BRL)	**4.3117**	**3.7004**	3.2207	3.1211
Colombian peso (COP)	**3,456.08**	**3,048.25**	2,884.28	2,652.56
Thai baht (THB)	**39.2480**	**38.0278**	39.9100	43.1469
Argentine peso (ARS)	**14.0841**	**10.2584**	10.2716	10.7685
Uruguayan peso (UYP)	**32.5958**	**30.2896**	29.5402	30.8353
US dollar (USD)	**1.0887**	**1.1095**	1.2141	1.3285
Vietnamese dong (VND)	**24,479.42**	**24,056.41**	25,794.77	28,093.23
Polish zloty (PLN)	**4.2639**	**4.1841**	4.2732	4.1843

Equity risk

As at 31 December 2015, the Group did not hold any significant investments in listed companies other than interests in its subsidiaries or treasury shares.

The Group may use derivative instruments (e.g. total return swaps with no call option, forward contracts and call options) on shares to build a synthetic exposure to the shares of its listed subsidiaries (see Note 11.4.2). The carrying amount of these instruments corresponds to their estimated value as provided by a financial institution on the reporting date. These values take account of market data such as exchange rates, share prices and interest rates.

In addition, the Group has no exposure to call options on ordinary shares. Its policy as regards cash management is to invest only in money market instruments that are not exposed to equity risk.

11.6.3 Counterparty risk

The Group is exposed to various aspects of counterparty risk in its operating activities, its cash deposits and its interest rate and foreign exchange hedging instruments. It monitors these risks regularly using several objective indicators, and diversifies its exposure by dealing with the least risky counterparties (based mainly on their credit ratings and their reciprocal commitments with the Group).

Counterparty risk related to trade receivables

Customer credit risk:
Group policy consists of checking the financial health of all customers applying for credit payment terms. Customer receivables are regularly monitored; consequently, the Group's exposure to bad debts is not material.

Trade receivables break down as follows by maturity:

(€ millions)	Receivables not yet due, not impaired	Receivables past due on the reporting date				Impaired receivables	TOTAL
		Receivables not more than one month past due	Receivables between one and six months past due	Receivables more than six months past due	Total		
2015	**698**	**93**	**50**	**24**	**167**	**140**	**1,006**
2014	696	61	50	27	139	142	976

The age of unimpaired receivables that are past due can vary substantially depending on the type of customer, i.e. private companies, consumers or public authorities. Impairment policies are determined on an entity-by-entity basis according to customer type. As indicated above, the Group believes that it has no material risk in terms of credit concentration.

COUNTERPARTY RISK RELATED TO OTHER ASSETS

Other assets, mainly comprising tax receivables, and repayment rights are neither past due nor impaired.

Credit risk on other financial assets – mainly comprising cash and cash equivalents, available-for-sale financial assets and certain derivative financial instruments – corresponds to the risk of failure by the counterparty to fulfil its obligations. The maximum risk is equal to the instruments' carrying amount. The Group's cash management policy consists of investing cash and cash equivalents with first-class counterparties and in first-class rated instruments.

11.6.4 Liquidity risk

The Group's liquidity policy is to ensure, as far as possible, that it always has sufficient liquid assets to settle its liabilities as they fall due, in either normal or impaired market conditions.
The main methods used are:

- diversifying sources of financing: public and private capital markets, banks (confirmed and non-confirmed facilities), commercial paper, discounting of receivables;
- diversifying currencies of financing: euro, other functional currencies used by the Group, US dollar;
- maintaining a level of confirmed financing facilities significantly in excess of the Group's liabilities at any time;
- limiting the amount of annual repayments and proactive management of the repayment schedule;
- managing the average maturity of financing facilities and, where appropriate, refinancing them before they fall due.

This liquidity analysis is performed both at the Casino, Guichard-Perrachon holding company level (taking into account the cash pooling of all wholly owned French entities via cash pooling agreements) and for each of the Group's international subsidiaries.

In addition, the Group carries out non-recourse receivables discounting without continuing involvement, within the meaning of IFRS 7, as well as reverse factoring.

Most of the Group's debt is carried by Casino, Guichard-Perrachon and is not the subject of collateral or secured assets. Financing is managed by the Corporate Finance department. The main subsidiaries (GPA, Big C Thailand, Monoprix and Éxito) also have their own sources of financing. This financing is not the subject of collateral or secured assets and is not underwritten by Casino (except for GPA loans to BNDES totalling €35 million as at 31 December 2015 and secured by security interests on the financed assets and a guarantee from Wilkes, indirectly 50% owned by Casino and 50% by Éxito).

All subsidiaries report weekly to the Group on their cash management and all new financing facilities require prior approval from the Corporate Finance department.

As at 31 December 2015, the Group's liquidity position was based on:

- undrawn confirmed credit facilities totalling €4,515 million (including €3,854 million for France);
- available cash of €4,588 million.

Casino, Guichard-Perrachon has a €9 billion Euro Medium Term Note (EMTN) programme. As at 31 December 2015, outstanding notes issued under this programme totalled €7,346 million.

Furthermore, notes issued under Casino, Guichard-Perrachon's €2,000 million commercial paper programme totalled €424 million as at 31 December 2015.

The Group's loan and bond agreements include the usual commitment and default provisions of this type of contract: limitations to pari passu senior debt, negative pledges and cross default.

Casino, Guichard-Perrachon's facility agreements generally contain a mandatory acceleration clause in the event of a change of control of the Company.

In addition, bonds issued by Casino, Guichard-Perrachon contain an acceleration clause at the investors' discretion (except for two perpetual deeply subordinated bond issues), should its long-term senior debt rating be downgraded to non-investment grade (or should it be further downgraded, if the rating is already non-investment grade), but only if this downgrade is due to a change of majority shareholder (if a third party other than Rallye or a related entity thereof holds more than 50% of Casino's voting rights). The bonds issued by Casino also contain a coupon step-up clause, which increases the interest rate by 1.25% should Casino, Guichard-Perrachon's long-term senior debt rating be downgraded to non-investment grade. In that case, this clause would apply progressively from the annual coupon payment date following the announcement of the downgrade.
These bonds (except for perpetual deeply subordinated bonds) are rated BBB- by the rating agencies Standard & Poor's and Fitch Ratings. On 15 January 2016, Standard & Poor's placed the Group's BBB- rating on "Credit Watch Negative" (see Note 15).

FINANCING SUBJECT TO COVENANTS

At the reporting date, the yearly covenants to which Casino, Guichard-Perrachon is exposed were as follows:

Type of covenant	Main types of debt subject to covenant	Frequency of tests	Result from the covenant as at 31 December 2015
Consolidated net debt (i)/Consolidated EBITDA (ii) < 3.5	▪ €1.2 billion syndicated credit line ▪ US$1 billion syndicated credit line ▪ Bilateral credit lines totalling €525 million	Annual	2.7
Consolidated net debt (i)/Consolidated EBITDA (ii) < 3.7	▪ Bilateral credit lines totalling €50 million	Annual	

(i) Net debt as defined in the loan agreements may differ from net debt recognised in the consolidated financial statements (see Note 11.2). It corresponds to borrowings and financial liabilities including hedging derivatives, less (i) cash and cash equivalents, (ii) financial assets held for cash management purposes and financial investments, (iii) hedges of debt with a positive fair value and (iv) financial assets arising from a significant disposal of non-current assets.
(ii) EBITDA (earnings before interest, taxes, depreciation and amortisation) corresponds to trading profit plus current net depreciation and amortisation expense.

The Group considers that it can very comfortably meet its covenants over the next 12 months.

Note that Casino, Guichard-Perrachon's bonds and commercial paper are not subject to any financial covenant.

FINANCING OF SUBSIDIARIES SUBJECT TO COVENANTS

Most of the Group's other loan agreements contain financial covenants, mainly for GPA, Big C Thailand, Éxito and Monoprix (see table below).

Subsidiary	Type of covenant	Frequency of tests	Main types of debt subject to covenant
Monoprix	Net debt/EBITDA < 2.5	Annual	▪ €370 million syndicated credit line ▪ Other confirmed credit lines totalling €240 million
GPA (i)	Net debt (ii) may not be higher than equity (iii) Consolidated net debt/EBITDA < 3.25	Quarterly/half-year/annually	▪ All bond financing and part of the bank borrowings
	Equity/total assets ≥ 0.3 EBITDA/net debt ≥ 0.35	Half-year	▪ BNDES financing totalling €35 million
Éxito	Consolidated net debt/Consolidated EBITDA < 3.5	Annual	▪ Bank borrowings (see Note 11.2.3)
Big C Thailand	Net debt/EBITDA < 3.5 Net debt/equity < 2.5	Half-year	▪ Bank borrowings (see Note 11.2.3)

(i) All of GPA's covenants are based on the consolidated data of GPA.
(ii) Reduced by cash, cash equivalents and receivables.
(iii) Consolidated equity (attributable to owners of the parent and non-controlling interests).

As at 31 December 2015, these covenants were respected.

EXPOSURE TO LIQUIDITY RISK

The table below shows a maturity schedule for financial liabilities as at 31 December 2015, including principal and interest and for undiscounted amounts. Regarding the derivative financial instruments, the table has been drawn up based on the contractual net cash inflows and outflows on instruments that settle on a net basis and the gross inflows and outflows on those instruments that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the yield curves existing as at the reporting date.

For the TRS and forward instruments described in Note 11.4.2, the flows presented in the table below reflect the interest payable and the fair value of the instruments as at the reporting date.

As at 31 December 2015 (€ millions)	Due within one year	Due in one to two years	Maturity Due in two to three years	Due in three to five years	Due beyond five years	Total contractual cash flows	Carrying amount
Non-derivative financial instruments recognised in liabilities:							
Bonds and other borrowings	2,264	1,601	1,660	2,499	5,435	13,460	11,643
Put options granted to owners of non-controlling interests	113	1	15	24	10	162	151
Finance lease liabilities	24	21	15	26	50	136	81
Trade payables and other financial liabilities	10,718	79	5	10	32	10,844	10,844
Total	**13,119**	**1,702**	**1,695**	**2,559**	**5,527**	**24,603**	**22,720**
Derivative financial instruments assets/(liabilities):							
Interest rate derivatives							
Derivative contracts – received	172	154	123	193	172	814	
Derivative contracts – paid	(53)	(37)	(37)	(87)	(144)	(357)	
Derivative contracts – settled net	-	-	-	-	-	-	
Currency derivatives							
Derivative contracts – received	240	85	-	-	-	325	
Derivative contracts – paid	(196)	(82)	-	-	-	(277)	
Derivative contracts – settled net	111	64	(2)	-	-	173	
Other derivative instruments							
Derivative contracts – received	1	1	1	1	3	7	
Derivative contracts – paid	(282)	(259)	(1)	(1)	(3)	(546)	
Derivative contracts – settled net	-	-	-	-	-	-	
Total	**(6)**	**(73)**	**84**	**106**	**28**	**139**	**145**

As at 31 December 2014 (€ millions)	Due within one year	Due in one to two years	Maturity Due in two to three years	Due in three to five years	Due beyond five years	Total contractual cash flows	Carrying amount
Non-derivative financial instruments recognised in liabilities:							
Bonds and other borrowings	4,757	1,160	1,481	2,484	5,947	15,830	13,567
Put options granted to owners of non-controlling interests	24	3	1	-	40	69	62
Finance lease liabilities	28	27	24	37	76	193	105
Trade payables and other financial liabilities	11,045	55	5	9	28	11,141	11,141
Total	**15,855**	**1,244**	**1,512**	**2,531**	**6,092**	**27,233**	**24,875**
Derivative financial instruments assets/(liabilities):							
Interest rate derivatives							
Derivative contracts – received	172	155	139	223	251	939	
Derivative contracts – paid	(62)	(52)	(40)	(92)	(147)	(393)	
Derivative contracts – settled net	4	-	-	-	-	3	
Currency derivatives							
Derivative contracts – received	265	112	-	-	-	377	
Derivative contracts – paid	(236)	(102)	-	-	-	(338)	
Derivative contracts – settled net	(19)	(3)	14	-	-	(8)	
Other derivative instruments							
Derivative contracts – received	-	-	-	-	-	-	
Derivative contracts – paid	(9)	(111)	(101)	-	-	(221)	
Derivative contracts – settled net	-	-	-	-	-	-	
Total	**114**	**(1)**	**13**	**130**	**103**	**359**	**379**

Note 12 Equity and earnings per share

Accounting principle

Equity is attributable to two categories of owner: the owners of the parent (Casino, Guichard-Perrachon shareholders) and the owners of the non-controlling interests in its subsidiaries. A non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent.

Transactions with the owners of non-controlling interests resulting in a change in the parent company's percentage interest without loss of control affect only equity as there is no change of control of the economic entity. Cash flows arising from changes in ownership interests in a fully consolidated subsidiary that do not result in a loss of control (including increases in percentage interest) are classified as cash flows from financing activities.

In the case of an acquisition of an additional interest in a fully consolidated subsidiary, the Group recognises the difference between the acquisition cost and the carrying amount of the non-controlling interests as a change in equity attributable to owners of Casino, Guichard-Perrachon. Transaction costs are also recognised in equity. The same treatment applies to transaction costs relating to disposals without loss of control. In the case of disposals of controlling interests involving a loss of control, the Group derecognises the whole of the ownership interest and, where appropriate, recognises any investment retained in the former subsidiary at its fair value. The gain or loss on the entire derecognised interest (interest sold and interest retained) is recognised in profit or loss under "Other operating income" or "Other operating expenses", which amounts to remeasuring the investment retained through profit or loss. Cash flows arising from the acquisition or loss of control of a subsidiary are classified as cash flows from investing activities.

Equity instruments and hybrid instruments

The classification of instruments issued by the Group in equity or debt depends on each instrument's specific characteristics. An instrument is deemed to be an equity instrument when the following two conditions are met: (i) the instrument does not contain a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; and (ii) in the case of a contract that will or may be settled in the entity's own equity instruments, it is either a non-derivative that does not include a contractual obligation to deliver a variable number of the Company's own equity instruments, or it is a derivative that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

The Group also examines the special provisions of contracts to ensure the absence of an indirect obligation to repurchase the equity instruments in cash by delivering another financial asset or delivering shares having a value substantially higher than the amount of cash or the other financial asset to be delivered.

In particular, instruments that are redeemable at the Group's discretion and for which the remuneration depends on the payment of a dividend are classified in equity.

When a "debt" component exists, it is measured separately and classified under "financial liabilities".

Equity transaction costs

External and qualifying internal costs directly attributable to equity transactions or transactions involving equity instruments are recorded as a deduction from equity, net of tax. All other transaction costs are recognised as an expense.

Treasury shares

Casino, Guichard-Perrachon shares purchased by the Group are deducted from equity at cost. The proceeds from sales of treasury shares are credited to equity with the result that any disposal gains or losses, net of the related tax effect, have no impact in the income statement for the period.

Options on treasury shares

Options on treasury shares are treated as derivative instruments, equity instruments or financial liabilities depending on their characteristics.

Options classified as derivatives are measured at fair value through profit or loss. Options classified as equity instruments are measured in equity at their initial amount and changes in value are not recognised. The accounting treatment of financial liabilities is described in Note 11.

12.1 Capital management

The Group's policy is to maintain a strong capital base in order to preserve the confidence of investors, creditors and the markets while ensuring the financial flexibility required to support the Group's future business development. The Group aims to continually optimise its financial structure through the optimum balance between its net debt, EBITDA and equity. In doing so, it can adjust the amount of dividends paid to shareholders, pay back part of the capital, buy back its own shares or issue new shares. The Group occasionally buys back its own shares in the market. The purpose of this is to allocate the shares to the liquidity contract and ensure active trading of its shares, or to keep them to cover stock option plans, employee share ownership plans or bonus share plans for Group employees and corporate officers.

The policy objectives and management procedures are exactly the same as in previous years.

Apart from legal requirements, the Group is not subject to any external requirements in terms of minimum equity.

12.2 Share capital

As at 31 December 2015, share capital totalled €173,192,460, compared with €173,157,998 as at 31 December 2014. Share capital is composed of 113,197,686 ordinary shares, issued and fully paid, as at 31 December 2015. The difference is mainly due to the 22,485 shares issued after options were exercised (compared with 69,232 in 2014). Ordinary shares have a par value of €1.53.
Under the shareholder authorisations given to the Board of Directors, the share capital may be increased, immediately or in the future, by up to €60 million.

12.3 Share equivalents

The Group is committed to bonus share plans (see Note 8.3). The Group intends to cover those plans using existing shares.

12.4 Treasury shares

Treasury shares correspond to shareholder-approved buybacks of Casino Guichard-Perrachon S.A. shares. As at 31 December 2015, the number of treasury shares held by the Group was 386,755, representing €17 million. These were purchased as part of the dilution associated with bonus share plans.

In January 2005, the Group signed a liquidity contract with the Rothschild investment bank for a total of 700,000 Casino shares and a contribution of €40 million, in accordance with European Commission Regulation (EC) No. 2273/2003. The Group made additional contributions allocated to the liquidity contract of (i) €30 million on 25 September 2015 and (ii) €50 million on 28 December 2015.
As at 31 December 2015, 1,445,000 own shares were held under this contract, representing a total of €63 million. The cash earmarked for the liquidity account is invested in money market mutual funds. These funds qualify as cash equivalents and are therefore included in net cash and cash equivalents in the consolidated statement of cash flows.

As at 31 December 2015, the total number of treasury shares held by the Group was 1,831,755 shares, representing €80 million.

12.5 Perpetual deeply subordinated bonds

At the beginning of 2005, the Group issued 600,000 perpetual deeply subordinated bonds (TSSDI) for a total amount of €600 million. The bonds are redeemable solely at the Group's discretion and interest payments are due only if the Group pays a dividend on its ordinary shares in the preceding 12 months. The bonds pay interest at the 10-year constant maturity swap rate plus 100 basis points, capped at 9%. In 2015, the average coupon was 1.88%.

On 18 October 2013, the Group issued €750 million of perpetual hybrid bonds on the market, equivalent to 7,500 bonds. The bonds are redeemable at the Group's discretion from 31 January 2019 at the earliest. The bonds pay interest with a coupon of 4.87% until that date. This rate is revised every five years.

For these reasons, the bonds are carried in equity for the amount of €1,350 million. Issuance costs net of tax are recognised in equity.

12.6 Other equity instruments

On 27 December 2013, Monoprix issued mandatory convertible bonds in Monoprix preferred shares (MCB) in three tranches totalling €500 million to CACIB. These MCB have a maturity of three years and pay interest at 6-month Euribor + 4.1% (see Note 11.4.1). The redemption parity is fixed. Monoprix may defer coupon payments in preferred shares on the MCB redemption date.

The Group also has a call option on these MCB, which may be exercised in whole or in part at par plus accrued interest until October 2016.

The holders of MCB have certain protective rights over the level of Monoprix external debt, investments and external growth operations, as well as the sale of stores, beyond a certain threshold.

At maturity, the holders of MCB will receive Monoprix preferred shares representing 21.2% of capital and giving them the right to a double dividend on the portion corresponding to profit after the MCB conversion date. The preferred shareholders have the right to vote and the same additional protective rights of MCB.

The Group analysed the transaction as follows:

- the fixed parity MCB is an equity instrument, except for the interest. The MCB call option is held by Casino and does not lead to the reclassification of MCB as financial liabilities;
- the Group estimated that the valuation of the MCB on their issue date was representative of the market value, that the characteristics of the preferred shares issued and their value do not result in the implicit obligation to exercise its call option on the MCB, and that the dividend policy is controlled by the Annual General Meeting (after maturity of the MCB, it is expected to amount to 80% of the distributable profit).

MCB are compound financial instruments with a financial liability component shown in "financial liabilities" corresponding to the discounted value of the interest coupons until maturity and an equity component for the balance net of expenses and tax shown in "non-controlling interests". As at 31 December 2015, the equity component and the financial liability component amounted to €420 million and €21 million, respectively (Note 11.2.3). The call option was deducted from Group equity (€4 million net of tax). The annual discounting/accretion of the debt component is recorded in finance costs. The reduction in the coupon from 1 January 2015 (from 6-month Euribor + 5.1% to 6-month Euribor + 4.1%) generated financial income of €11 million in 2015 (see Note 11.4.1).

The Group issued a guarantee for Monoprix's consolidated shareholders' equity (as at 31 December 2013) to CACIB in connection with the issue of the MCB. The cap on this guarantee is €200 million with an allowance of €20 million (see Note 6.10.1). This guarantee runs until 26 June 2017.

12.7 Further information on share premium, retained earnings and reserves

12.7.1 Foreign currency translation adjustments

The foreign currency translation reserve corresponds to cumulative exchange gains and losses on translating the equity of foreign subsidiaries and receivables and payables corresponding to the Group's net investment in these subsidiaries, at the closing rate.

Foreign currency translation reserves by country as at 31 December 2015

(€ millions)	Attributable to owners of the parent			Attributable to non-controlling interests			Total
	1 January 2015	2015 translation adjustments	31 December 2015	1 January 2015	2015 translation adjustments	31 December 2015	31 December 2015
Brazil	(827)	(967)	**(1,795)**	(1,436)	(1,444)	**(2,879)**	**(4,674)**
Argentina	(117)	(22)	**(139)**	-	(2)	**(2)**	**(141)**
Colombia	(67)	(206)	**(272)**	(83)	(208)	**(291)**	**(563)**
Uruguay	37	(42)	**(4)**	(2)	(23)	**(26)**	**(30)**
United States	12	7	**19**	-	1	**1**	**20**
Thailand	86	11	**97**	49	6	**56**	**153**
Poland	15	-	**15**	-	-	**-**	**15**
Indian Ocean	(6)	(1)	**(8)**	(3)	-	**(3)**	**(10)**
Vietnam	9	15	**24**	-	1	**1**	**25**
Hong Kong	1	1	**1**	-	-	**-**	**1**
Total foreign currency	**(858)**	**(1,204)**	**(2,061)**	**(1,474)**	**(1,668)**	**(3,143)**	**(5,204)**

Foreign currency translation reserves by country as at 31 December 2014

(€ millions)	Attributable to owners of the parent			Attributable to non-controlling interests			Total
	1 January 2014	2014 translation adjustments	31 December 2014	1 January 2014	2014 translation adjustments	31 December 2014	31 December 2014
Brazil	(749)	(78)	**(827)**	(1,583)	147	**(1,436)**	**(2,263)**
Argentina	(108)	(10)	**(117)**	-	-	**-**	**(117)**
Colombia	58	(125)	**(67)**	29	(112)	**(83)**	**(149)**
Uruguay	30	8	**37**	(9)	6	**(2)**	**35**
United States	-	12	**12**	-	-	**-**	**12**
Thailand	-	86	**86**	(9)	58	**49**	**135**
Poland	19	(4)	**15**	-	-	**-**	**15**
Indian Ocean	(6)	-	**(6)**	(3)	-	**(3)**	**(9)**
Vietnam	(18)	26	**9**	(4)	3	**-**	**9**
Hong Kong	-	-	**1**	-	-	**-**	**1**
Total foreign currency translation adjustments	**(773)**	**(84)**	**(858)**	**(1,578)**	**104**	**(1,474)**	**(2,332)**

12.7.2 Notes to the consolidated statement of comprehensive income

(€ millions)	2015	2014
Available-for-sale financial assets	**-**	**(8)**
Change in fair value	**-**	(12)
Reclassifications to profit or loss	**-**	-
Income tax (expense)/benefit	**-**	4
Cash flow hedges	**-**	**21**
Change in fair value	**(1)**	32
Reclassifications to profit or loss	**1**	-
Income tax (expense)/benefit	**-**	(11)
Net investment hedges	**(2)**	**-**
Change in fair value	**(2)**	-
Reclassifications to profit or loss	**-**	-
Income tax (expense)/benefit	**-**	-
Foreign currency translation adjustments (see Note 12.7.1)	**(2,872)**	**19**
Foreign currency translation adjustments	**(2,898)**	19
Reclassifications to profit or loss	**23**	-
Income tax (expense)/benefit	**2**	-
Actuarial gains and losses	**(23)**	**(1)**
Actuarial gains and losses	**(34)**	(2)
Income tax (expense)/benefit	**12**	1
Total	**(2,897)**	**31**

12.8 Non-controlling interests

The following table provides detailed information on non-controlling interests.

(€ millions)	GPA Total GPA (iii)	of which Via Varejo	of which Cnova	Éxito (iv)	Big C Thailand	Other(ii)	Total
As at 1 January 2014	**5,590**	**1,682**	**-**	**1,347**	**352**	**461**	**7,750**
Country	*Brazil*	*Brazil*	*Netherlands*	*Colombia*	*Thailand*		
% of ownership interests held by non-controlling interests (i)	*61.9%*	*83.5%*	*-*	*45.2%*	*41.4%*		
% of voting rights held by non-controlling interests (i)	*0.06%*	*37.8%*	*-*	*45.2%*	*41.4%*		
Net profit (loss)	408	264	(12)	91	71	2	**573**
Other comprehensive income (loss)	66	11	-	(105)	58	3	**22**
Dividends paid/payable (v)	(94)	(39)	-	(41)	(22)	(7)	**(164)**
Other movements	(292)	(29)	270	16	(1)	(3)	**(280)**
As at 31 December 2014	**5,679**	**1,889**	**258**	**1,307**	**457**	**457**	**7,901**
% of ownership interests held by non-controlling interests (i)	*58.7%*	*82.1%*	*41.9%*	*45.2%*	*41.4%*		
% of voting rights held by non-controlling interests (i)	*0.06%*	*37.8%*	*6.6%*	*45.2%*	*41.4%*		
Net profit (loss)	**(15)**	**52**	**(121)**	**133**	**76**	**7**	**201**
Other comprehensive income (loss) (vi)	**(1,445)**	**(485)**	**(75)**	**(233)**	**6**	**1**	**(1,671)**
Dividends paid/payable (v)	**(20)**	**-**	**-**	**(44)**	**(23)**	**(7)**	**(94)**
Other movements	**4**	**1**	**26**	**74**	**(2)**	**121**	**200**
As at 31 December 2015	**4,204**	**1,457**	**89**	**1,237**	**514**	**579**	**6,536**
% of ownership interests held by non-controlling interests (i)	*67.2%*	*85.8%*	*44.8%*	*45.2%*	*41.4%*		
% of voting rights held by non-controlling interests (i)	*0.06%*	*37.8%*	*6.6%*	*45.2%*	*41.4%*		
Average % of ownership interests held by the Group in 2015	*38.4%*	*16.7%*	*57.1%*	*54.8%*	*58.6%*	-	**-**
% of ownership interests held by the Group as of December 31, 2015	*32.8%*	*14.2%*	*55.2%*	*54.8%*	*58.6%*	-	**-**

(i) The percentages of non-controlling interests set out in this table do not include the Group's own non-controlling interests in subgroups.
(ii) Of which Monoprix for €488 million as at 31 December 2015: €420 million corresponding to the net amount of transaction costs and tax on bonds redeemable in Monoprix preferred shares issued on 27 December 2013 to CACIB (see Note 12.6), and €68 million related to the SCI Simonop'1 transaction for the year (see Note 3.1.6).
(iii) Including Cnova and Via Varejo.
(iv) Including Uruguay and Argentina (only Uruguay in 2014).
(v) Of which dividends paid of €170 million in 2015 and €122 million in 2014 (see statement of consolidated cash flows).
(vi) Other comprehensive income (loss) are resulting mainly from foreign currency translation adjustments relating of the translation of foreign subsidiaries financial statements

GPA's equity consists of:
- 99,680 thousand ordinary shares with voting rights
- 166,022 thousand preferred shares with no voting rights but the right to a preferred dividend.

Preferred shares do not carry voting rights, but instead entitle holders the following rights and benefits: (i) priority in the reimbursement of capital in the event of liquidation of the company, (ii) priority in the payment of a minimum annual non-cumulative dividend of BRL0.08 per share; (iii) priority in the payment of dividends 10% higher than the dividend awarded to ordinary shares, included in the calculation of the amount paid under item (ii) above.
GPA non-controlling interests have no put option with Casino. Under Brazilian securities regulations, preferred shareholders have withdrawal rights to request that GPA buy back their shares at the carrying amount (share of net assets) if certain specific events occur. These rights are described in more detail from page 90 onwards of GPA's Form 20-F 2014.

SUMMARISED FINANCIAL INFORMATIONS OF THE MAINS SUBSIDIARIES WITH SIGNIFICANTS NON-CONTROLLING INTERESTS

Information presented in the table below are presented in accordance with IFRS, adjusted, where appropriate, by fair value re-measurements on the date of acquisition or loss of control and restatements to ensure the consistency of accounting policies with those of the Group. The amounts are shown before intragroup elimination:

(€ millions)	GPA						Éxito[iv]		Big C (Thailand)	
	GPA[i]		of which Via Varejo		of which Cnova					
	2015	2014	2015	2014	2015	2014[iii]	2015	2014	2015	2014
Net sales	**18,676**	21,024	**5,187**	7,245	**3,437**	1,657	**4,673**	3,934	**3,390**	3,025
Net profit (loss) from continuing operations	**(122)**	559	**63**	321	**-276**	(32)	**482**	195	**182**	171
Attributable to non-controlling interests	***(15)***	*408*	***52***	*264*	**-121**	*(12)*	***133***	*91*	***76***	*71*
Other comprehensive income (loss)	**(2,022)**	61	**(591)**	13	**-159**	(12)	**(555)**	(220)	**13**	133
Total comprehensive income (loss) for the year	**(2,143)**	**619**	**(528)**	**333**	**-435**	(44)	**(75)**	**(25)**	**196**	**304**
Attributable to non-controlling interests	***(1,460)***	*474*	***(433)***	*275*	**-196**	*(12)*	***(100)***	*(15)*	***82***	*129*
Current assets	**5,930**	7,636	**2,538**	3,357	**1,114**	1,352	**1,175**	1,592	**461**	694
Non-current assets	**8,999**	11,770	**2,269**	2,800	**612**	940	**4,220**	2,286	**2,086**	2,016
Current liabilities	**(5,948)**	(7,645)	**(2,232)**	(3,018)	**(1,538)**	(1,691)	**(1,345)**	(1,129)	**(995)**	(1,114)
Non-current liabilities	**(2,526)**	(2,844)	**(801)**	(838)	**(36)**	(13)	**(1,264)**	(122)	**(238)**	(417)
Net assets	**6,455**	**8,917**	**1,774**	**2,301**	**152**	587	**2,786**	**2,627**	**1,314**	**1,180**
Attributable to non-controlling interests	***4,204***	*5,679*	***1,457***	*1,889*	***89***	*258*	***1,237***	*1,307*	***514***	*457*
Net cash from operating activities	**1,393**	1,679	**912**	722	**75**	436	**321**	380	**324**	288
Net cash from/(used in) investing activities	**(503)**	(446)	**(89)**	(115)	**(61)**	37	**(1,864)**	(259)	**(144)**	(84)
Net cash from/(used in) financing activities	**(949)**	(359)	**(517)**	(314)	**(61)**	112	**987**	(118)	**(418)**	(106)
Effect of changes in foreign currency translation adjustments	**(859)**	11	**(393)**	3	**(134)**	(12)	**(93)**	(83)	**13**	28
Change in cash and cash equivalents	**(918)**	**885**	**(87)**	**297**	**(181)**	573	**(649)**	**(80)**	**(225)**	**127**
Dividends paid to the Group (iv)	***33***	*30*	**-**	-	**-**	-	***47***	*49*	***33***	*29*
Dividends paid to owners of non-controlling interests over the year (iv)	***88***	*51*	***36***	-	**-**	-	***50***	*44*	***23***	*21*

(i) Including Cnova and Via Varejo.
(ii) Including Uruguay and Argentina (only Uruguay in 2014).
(iii) The amounts shown correspond to the Cnova Group since its creation on 24 July 2014.
(iv) GPA, Exito and Big C Thailand have an obligation to pay dividends to the tune of respectively 25%, 50% and 30% of the net profit of the year.

12.9 Dividends

At the Annual General Meeting of 12 May 2015, the shareholders voted in favour of a cash dividend for 2014 of €3.12 per ordinary share. The amount recognised in equity amounted to €352 million for 112,800,806 shares (compared with €353 million paid in 2014, in respect of 2013).

The Board of Directors will propose a gross dividend of €3.12 for ordinary shares for 2015. Based on 113,197,686 shares as at 31 December 2015, the proposed dividend represents a provisional amount of €353 million. It will be modified in 2016 to take into account the treasury shares held on the effective distribution date. The financial statements presented before appropriation of profit do not reflect this dividend, which is subject to the approval of the shareholders at the next Ordinary General Meeting.

The coupon payable on perpetual deeply subordinated bonds is as follows:

(€ millions)	2015	2014
Coupon payable on perpetual deeply subordinated bonds (impact on equity)	**47**	**24**
Amount paid during the year	42	18
Amount payable in the following year	5	6
Impact on the statement of cash flows for the year	**48**	**27**
Of which coupons awarded and paid during the year	42	18
Of which coupons awarded in the previous year and paid during the year	6	10

12.10 Earnings per share

Accounting principle

Basic earnings per share are calculated based on the weighted average number of shares outstanding during the period, excluding shares issued in payment of dividends and treasury shares. Diluted earnings per share are calculated by the treasury stock method, as follows:

- numerator: earnings for the period are adjusted for interest on convertible bonds and dividends on perpetual deeply subordinated bonds;
- denominator: the number of shares is adjusted to include potential shares corresponding to dilutive instruments (equity warrants, stock options and bonus shares), less the number of shares that could be bought back at market price with the proceeds from the exercise of the dilutive instruments. The market price used for the calculation corresponds to the average share price for the year.

Equity instruments that will or may be settled in Casino, Guichard-Perrachon shares are included in the calculation only when their settlement would have a dilutive impact on earnings per share.

12.10.1 Number of shares

Calculation of the weighted average number of shares and potential shares used to determine diluted earnings per share		2015	2014
Weighted average number of shares outstanding during the year			
Total ordinary shares		**113,187,606**	113,143,859
Ordinary shares held in treasury		**(360,821)**	(137,275)
Weighted average number of ordinary shares before dilution	**(1)**	**112,826,784**	**113,006,584**
Potential shares represented by:			
Stock options		**24,531**	94,359
Non-dilutive instruments (out of the money or covered by calls)		**-**	-
Weighted average number of dilutive instruments		**24,531**	94,359
Theoretical number of shares purchased at market price(*)		**(21,985)**	(62,822)
Dilutive effect of stock option plans		**2,547**	31,538
Bonus share plans		**-**	-
Total potential dilutive shares		**2,547**	**31,538**
Total diluted number of shares	**(2)**	**112,829,331**	**113,038,122**

(*) In accordance with the treasury stock method, the proceeds from the exercise of warrants and options are assumed to be used in the first instance to buy back shares at market price. The theoretical number of shares that would be purchased is deducted from the total shares that would be issued on exercise of the rights attached to the warrants and options. Any theoretical shares in excess of the number of shares resulting from the exercise of rights are not taken into account.

12.10.2 Profit attributable to ordinary shares

(€ millions)		2015	2014
Net profit (loss) attributable to owners of the parent		**(43)**	**251**
Dividends payable on perpetual deeply subordinated bonds		**(48)**	(21)
Net profit (loss) attributable to holders of ordinary shares	**(3)**	**(91)**	**231**
- Of which net profit (loss) from continuing operations, attributable to owners of the parent	*(4)*	***(95)***	*232*
- Of which net profit (loss) from discontinued operations attributable to owners of the parent		***4***	*(2)*
Net profit (loss) attributable to owners of the parent, attributable to Monoprix MCB		**(43)**	(42)
Net diluted profit (loss) attributable to holders of ordinary shares	**(5)**	**(134)**	**189**
- Of which net profit (loss) from continuing operations, attributable to owners of the parent	*(6)*	***(138)***	*190*
- Of which net profit (loss) from discontinued operations attributable to owners of the parent		***4***	*(2)*

12.10.3 Earnings per share

(in €)		2015	2014
Basic earnings per share attributable to owners of the parent:			
- on continuing and discontinued operations	(3)/(1)	**(0.81)**	2.04
- on continuing operations	(4)/(1)	**(0.84)**	2.06
Diluted earnings per share attributable to owners of the parent:			
- on continuing and discontinued operations	(5)/(1)*	**(1.19)**	1.67
- on continuing operations	(6)/(1)*	**(1.22)**	1.68

(*) Since the Group recorded a total comprehensive loss in 2015, the calculation of diluted earnings does not include dilutive potential ordinary shares in the denominator.

Note 13 Provisions

Accounting principle

A provision is recorded when the Group has a present obligation (legal or constructive) as a result of a past event, the amount of the obligation can be reliably estimated and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are discounted when the related adjustment is material.
In accordance with the above principle, a provision is recorded for the cost of repairing equipment sold with a warranty. The provision represents the estimated cost of repairs to be performed during the warranty period, as estimated on the basis of actual costs incurred in prior years. Each year, part of the provision is reversed to offset the actual repair costs recognised in expenses.

A provision for restructuring expenses is recorded when the Group has a constructive obligation to restructure. This is the case when management has drawn up a detailed, formal plan and has raised a valid expectation in those affected that it will carry out the restructuring by announcing its main features to them before the period-end.

Other provisions concern specifically identified liabilities and expenses.

Contingent liabilities correspond to possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Group's control, or present obligations whose settlement is not expected to require an outflow of resources embodying economic benefits. Contingent liabilities are not recognised in the statement of financial position but are disclosed in the Notes to the financial statements.

13.1 Breakdown and movements

(€ millions)	1 January 2015	Increases 2015	Reversals (used) 2015	Reversals (surplus) 2015	Changes in scope of consolidation	Foreign currency translation adjustments	Other	31 December 2015
Claims and litigation	48	30	(17)	(12)	(2)	(1)	8	**53**
Other liabilities and expenses	817	258	(85)	(167)	(11)	(175)	4	**640**
Restructuring	23	31	(6)	(12)	(6)	-	-	**31**
Total provisions	**887**	**320**	**(108)**	**(190)**	**(19)**	**(176)**	**12**	**725**
of which non-current	*719*	*8*	*(3)*	*(8)*	*-*	*(173)*	*(3)*	***538***
of which current	*169*	*312*	*(105)*	*(182)*	*(19)*	*(3)*	*16*	***187***

Provisions for claims and litigation and for other liabilities and expenses correspond to a large number of provisions for employee claims, property-related claims (concerning construction or refurbishment work, rents, tenant evictions, etc.), tax claims and business claims (trademark infringement, etc.).

More specifically, provisions for other liabilities and expenses amounted to €640 million and mainly included provisions related to GPA (see Note 13.2).

13.2 Breakdown of GPA provisions for liabilities and expenses

(€ millions)	PIS/Cofins/CPMF disputes(*)	Other tax-related disputes	Employee disputes	Civil litigation	Total
31 December 2015	**24**	**294**	**136**	**57**	**511**
31 December 2014	59	389	162	72	**682**

(*) VAT and similar taxes.

Within the scope of these claims and litigations, GPA is contesting the payment of certain taxes, contributions and payroll obligations. Pending the final rulings from the administrative courts, these various disputes gave rise to payments of deposits in court, reported in "Other non-current assets" (see Note 6.9). In addition to these payments are guarantees provided by GPA (see Note 6.10).

(€ millions)	2015			2014		
	Deposits paid in court (i)	**Assets pledged as collateral (ii)**	**Bank guarantees (ii)**	**Deposits paid in court (i)**	**Assets pledged as collateral (ii)**	**Bank guarantees (ii)**
Tax-related disputes	**49**	**198**	**1,745**	48	262	2,048
Employee disputes	**165**	**1**	**9**	192	3	18
Civil and other litigation	**16**	**2**	**72**	22	3	370
Total	**229**	**202**	**1,826**	**262**	**268**	**2,437**

(i) See Note 6.9.
(ii) See Note 6.10.1.

13.3 Contingent assets and liabilities

In the normal course of its business, the Group is involved in a number of legal or arbitration proceedings with third parties or with the tax authorities in certain countries.

As stated in Note 3.3.6, there are no material contingent liabilities in associates and joint ventures.

- **Dispute with the Baud family**

Following claims by the Baud family considered unfounded by the Group, various disputes remain ongoing as at 31 December 2015.

- **Defence proceedings initiated by the sellers of the controlling block in Globex Utilidades SA**

In June 2009, GPA, through one of its subsidiaries, had acquired the controlling block in Globex Utilidades SA, a leading retailer of electronics and home appliances under the "Ponto Frio" banner. (Globex became Via Varejo following the merger in 2011 with Casas Bahia).
The former majority shareholder (Morzan Empreendimentos) had initiated arbitration proceedings before the International Chamber of Commerce on 30 May 2012, considering that GPA and its controlling shareholders, including Wilkes (GPA's head holding company), Casino, Guichard-Perrachon and three of its other sub-holding companies, had failed to comply with the contractual terms regarding payment of the portion payable in GPA shares.

On 14 August 2015, the arbitral tribunal notified its decision to GPA and Wilkes consisting in a jointly compensation payable by the latters to Morzan Empreendimentos. This amounted to an impact of €113 million, including damages, interest and legal fees, reported in "Other operating expenses" (see Note 6.5).

- **GPA contingent liabilities**

(€ millions)	31 December 2015	31 December 2014
INSS (employer's social security contributions)	**95**	99
IRPJ - IRRF and CSLL (corporate income taxes)	**477**	425
PIS, COFINS and CPMF (VAT and similar taxes)	**526**	286
ISS, IPTU and ITBI (service tax, urban property tax and tax on property transactions)	**84**	102
ICMS (state VAT)	**1,386**	1,334
Civil litigation	**192**	157
Total	**2,760**	**2,402**

GPA employs consulting firms to advise it in tax disputes, whose fees are contingent on the disputes being settled in GPA's favour. As at 31 December 2015, the estimated amount stood at €10 million (€20 million as at 31 December 2014).

Note 14 Related party transactions

Related parties are:

- parent companies (mainly Rallye, Foncière Euris, Finatis and Euris);
- entities with joint control or significant influence over the entity;
- subsidiaries (see Note 16);
- associates (primarily Mercialys) (see Note 3.3.7);
- joint ventures (see Note 3.3.7);
- members of the Board of Directors and Management Committee (see Note 8.4).

The Company has relations with all of its subsidiaries in its day-to-day management of the Group. The Company and its subsidiaries receive strategic advices from Euris, the ultimate holding company, under strategic advice and assistance agreements. The Company receives also other current services from Euris and Foncière Euris (providing of staff and premises). The amount expensed over the period in relation to these agreements with Casino and its subsidiaries totalled €3.4 million of which €2.6 million under strategic advices and €0.8 million under providing staff and premises.

In addition, the Group has (i) realised property development transactions carried out with the Foncière Euris Group generating income of €13 million in 2015 and (ii) acquired to Finatis its non-controlling interests held in the OPCI Viveris and SPF1, owners of some Casino stores, for a total amount of €32 million.

In connection with the deployment of its dual model associating retail activities and commercial real estate, Casino and its subsidiaries realise with Mercialys some property development operations under a partnership agreement signed in 2012 and amended in 2014 (see note 3.3.7).

Related party transactions with individuals (directors, corporate officers and members of their families) are not material.

Note 15 Events after the reporting period

- **Class action against Cnova**

In January 2016, a group of shareholders brought a class action against Cnova, some of its officers and directors and the underwriters of its IPO, accusing them of infringing United States securities regulations. In two of the cases, proceedings were initiated before the United States District Court for the Southern District of New York. Another case before the Supreme Court of the State of New York was later referred to the US District Court. Cnova has indicated that the complaints are unfounded and that it intends to mount a vigorous defence.

- **Credit risk assessment by Standard & Poor's**

In the context of challenging macroeconomic conditions in emerging markets and Brazil's current recession, Standard & Poor's wishes to update its assessment of Casino's credit. As a result, the agency has placed the Group's BBB- credit rating under CreditWatch Negative on 15 January 2016. Standard & Poor's conducts, in collaboration with Casino's management, a review of the Group's credit rating.

If Standard & Poor's was to downgrade Casino's rating, this would have the effect of increasing the annual coupon paid on Casino, Guichard-Perrachon's bonds by 1.25% (see Note 11.6.4). The increase in coupon would be effective from the next annual coupon payment date of each bond issue. Assuming that the rating is downgraded at the beginning of the second quarter of 2016, the impact on interest expense would be less than €20 million in 2016, compared with a full-year impact of €92 million (on the basis of the value of the bonds as at 31 December 2015). A downgrade of Casino's rating would have no impact on the repayment schedule of Casino's liabilities.

Standard & Poor's and Fitch Ratings had previously confirmed Casino's BBB-/Outlook Stable rating in mid-December 2015.

Furthermore, Casino launched in late 2015 a disposal plan, initially of 2 billion euros, which was increased to approximately 4 billion euros with the planned sale of its Big C subsidiary listed in Thailand, following indications of interest from potential buyers.

The Group is committed to its "Investment Grade" status. The expected improvement in its operating performance in France in 2016 and the scale of the initiated divestment program are important elements that will strengthen its financial structure.

Independently of the execution of its disposal plan, Casino enjoys a strong liquidity position enabling it to meet all its debt repayments in coming years.

- **Planned disposal of the subsidiary Big C Thailand**

On 7 February 2016, Casino announced the signing of a contract to sell and procure to sell its stake in Big C Supercenter PCL, listed in Thailand ("Big C"), for € 3.1 billion (excluding debt) to the TCC Group, one of the leading conglomerates in Thailand, with operations in the retail, commercial and industrial business, food and beverage, finance and insurance, property and real estate, agricultural and agro industrial sectors. On the basis of a €3.1 billion valuation and the carrying amount of the assets given up as at 31 December 2015, the Group expects to record a €2.4 billion gain on disposal. Big C is a leader in food retail and commercial real estate in Thailand, operating a large network of more than 700 stores, including 125 hypermarkets, with a turnover of € 3.4 billion and a trading profit of €246 million in 2015. The net debt of Big C Thailand was €246 million as at 31 December 2015.

The transaction values Big C at THB 252.88 per share, a 28% premium to the share price on 14 January 2016, the date preceding Casino's announcement of steps taken towards a disposal of Big C. It implies a 2015 sales multiple of c.1.7x and a last twelve month EBITDA multiple as of end September 2015 of c.16x. The disposal will allow Casino Group to reduce its debt by € 3.3 billion (Including Big C net financial debt). The transaction is not subject to any condition precedent and is expected to be completed by 31 March 2016.

The key terms of the definitive agreement announced on 7 February 2016 are the followings:

- The purchase price will be paid by the TCC Group in euros at the exchange rate of THB39.77 to one euro.
- The price per Big C share is cum dividend and will be reduced by the amount of any dividend received or to be receive by the Casino Group before closing.
- In case the price of the mandatory tender offer that the TCC Group is required to launch following this transaction is higher, a corresponding price complement will be paid to Casino Group.

Without prejudice to its obligation to purchase, TCC Group agreed to pay a USD600 million fee if the transaction is not closed on 31 March 2016.

As at 31 December 2015, only the Big C Vietnam subsidiary was classified as "assets held for sale" under IFRS 5. In the 2016 financial statements, the sub-groups Big C Thailand and Big C Vietnam – comprising the "Asia" operating segment – will be reported in "Non-current assets held for sale" until the effective sale date and thereafter in discontinued operations.

- **Notice from the Brazilian regulator CVM to Via Varejo and GPA**

On 18 February 2016, the subsidiary Via Varejo received a notice from the Brazilian regulator CVM outlining its difference of views on the accounting treatment of two transactions in 2013. The first concerns GPA's acquisition of 6.2% of Nova Pontocom from Via Varejo (a transaction that had no impact on the Group's consolidated financial statements). The second involves the accounting treatment of the controlling interest in Bartira following the acquisition of 75% of the company. GPA and Via Varejo have lodged an appeal with the CVM with an application for suspensive effect.

Note 16 Main consolidated companies

As at 31 December 2015, the Casino Group comprised 1,789 consolidated companies. The main companies are listed below.

		2015			2014		
Companies		**% control**	**% interest**	**Consolidation method**	**% control**	**% interest**	**Consolidation method**
Casino, Guichard-Perrachon SA				**Parent company**			**Parent company**
France – Retailing							
Casino Carburants		100	100	FC	100	100	FC
Casino Information Technology		100	100	FC	100	100	FC
Casino Services		100	100	FC	100	100	FC
Distribution Casino France (DCF)		100	100	FC	100	100	FC
Distridyn		49.99	49.99	EM	49.99	49.99	EM
Easydis		100	100	FC	100	100	FC
EMC Distribution		100	100	FC	100	100	FC
Floréal		100	100	FC	100	100	FC
Geimex		49.99	49.99	EM	49.99	49.99	EM
Monoprix Group							
Les Galeries de la Croisette	(i)	100	100	FC	100	100	FC
Monoprix		100	100	FC	100	100	FC
Monoprix Exploitation	(i)	100	100	FC	100	100	FC
Monop'	(i)	100	100	FC	100	100	FC
Naturalia France	(i)	100	100	FC	100	100	FC
Société Auxiliaire de Manutention Accélérée de Denrées Alimentaires "S.A.M.A.D.A."	(i)	100	100	FC	100	100	FC
Simonop'1	(i)	100	51	FC	-	-	-
Société L.R.M.D.	(i)	100	100	FC	100	100	FC
Franprix-Leader Price Group							
Cafige		100	100	FC	100	100	FC
Cofilead		100	100	FC	100	100	FC
DBMH		100	100	FC	100	100	FC

	2015			2014		
Companies	**% control**	**% interest**	**Consolidation method**	**% control**	**% interest**	**Consolidation method**
Franprix – Leader Price Group (suite)						
Distribution Franprix	100	100	FC	100	100	FC
Distribution Leader Price	100	100	FC	100	100	FC
Distri Sud-Ouest (DSO)	100	100	FC	100	100	FC
Franprix Holding	100	100	FC	100	100	FC
Franprix-Leader Price	100	100	FC	100	100	FC
Franprix-Leader Price Finance	100	100	FC	100	100	FC
HLP Ouest	60	60	FC	60	60	FC
Leader Price Exploitation	100	100	FC	100	100	FC
Norma	100	100	FC	100	100	FC
Parfidis	100	100	FC	36	36	EM
Pro Distribution	60	60	FC	60	60	FC
R.L.P.I.	100	100	FC	100	100	FC
Sarjel	60	60	FC	60	60	FC
Sédifrais	100	100	FC	100	100	FC
Sofigep	100	100	FC	100	100	FC
Codim Group						
Codim 2	100	100	FC	100	100	FC
Hyper Rocade 2	100	100	FC	100	100	FC
Pacam 2	100	100	FC	100	100	FC
Property Group						
GreenYellow	97.50	97.50	FC	97.50	97.50	FC
L'immobilière Groupe Casino	100	100	FC	100	100	FC
Sudéco	100	100	FC	100	100	FC
Mercialys Group						
Mercialys (listed company)	40.25	40.25	EM	40.25	40.25	EM
Property development						
Plouescadis	100	100	FC	100	100	FC
Other businesses						
Banque du Groupe Casino	50	50	EM	50	50	EM
Casino Finance	100	100	FC	100	100	FC
Casino Restauration	100	100	FC	100	100	FC
Restauration Collective Casino	100	100	FC	100	100	FC
E-commerce						
Cnova NV Group (listed company)	**93.39**	**55.19**	**FC**	**93.39**	**58.12**	**FC**
Cdiscount Group	99.81	55.08	FC	99.81	58.01	FC
Cdiscount	100	55.25	FC	100	58.19	FC
C'nova Comercio Electronico	100	55.19	FC	100	58.12	FC
Cnova Finança	100	55.19	FC	100	58.12	FC

Companies		2015 % control	2015 % interest	2015 Consolidation method	2014 % control	2014 % interest	2014 Consolidation method
International – Poland							
Mayland		100	100	FC	100	100	FC
International – Thailand							
Big C Group (listed company)		58.55	58.55	FC	58.55	58.55	FC
International – Brazil							
Wilkes		100	77.39	FC	100	100	FC
GPA Group (listed company)		**99.94**	**32.76**	**FC**	**99.94**	**41.32**	**FC**
Banco Investcred Unibanco S.A. (BINV)	(ii) (iv)	50	21.67	EM	50	21.67	EM
Financeira Itaú CBD S.A. – Crédito, Financiamento e Investimento (“FIC”)	(ii) (iv)	50	41.93	EM	50	41.93	EM
GPA Malls & Properties Gestão de Ativos e Serviços. Imobiliários Ltda. (“GPA M&P”)	(ii)	100	100	FC	100	100	FC
Indústria de Móveis Bartira Ltda. (“Bartira”)	(v)	100	100	FC	100	100	FC
Novasoc Comercial Ltda. (“Novasoc”)	(ii) (iii)	99.98	10	FC	99.98	10	FC
Sé Supermercado Ltda. (“Sé”)	(ii)	-	-	-	100	100	FC
Sendas Distribuidora S.A. (“Sendas”)	(ii)	100	100	FC	100	100	FC
Via Varejo (listed company)	(ii)	62.57	43.35	FC	62.25	43.35	FC
International – Colombia, Uruguay and Argentina							
Éxito Group (listed company)		**54.77**	**54.77**	**FC**	**54.77**	**54.77**	**FC**
Distribuidora de Textiles y Confecciones SA DIDETEXCO	(vi)	97.75	97.75	FC	97.75	97.75	FC
Trust Viva Villavincencio		51	51	FC	51	51	FC
Grupo Disco (Uruguay)	(vi)	100	62.49	FC	62.49	62.49	EM
Devoto (Uruguay)	(vi)	100	100	FC	96.8	96.8	FC
Libertad (Argentina)	(vi)	100	100	FC	100	100	FC
International – Indian Ocean							
Vindémia Distribution		100	99.98	FC	100	99.98	FC
Vindémia Logistique		100	100	FC	100	100	FC
International – Vietnam							
Cavi Ltd		100	100	FC	100	100	FC
Cavi Real Estate Ltd		100	100	FC	100	100	FC
Cavi Retail Ltd		100	100	FC	100	100	FC
Espace BigC An Lac		100	80	FC	100	80	FC
Espace BigC Hai Phong		100	100	FC	100	100	FC
Espace Bourbon Than Long		100	65	FC	100	65	FC
Espace Business Hue		100	100	FC	100	100	FC
Viet Nhat Real Estate		100	100	FC	100	100	FC

Companies	2015 % control	2015 % interest	2015 Consolidation method	2014 % control	2014 % interest	2014 Consolidation method
French and international holding companies						
Bergsaar BV	100	100	FC	100	100	FC
Casino Finance International	100	100	FC	100	100	FC
Casino International	100	100	FC	100	100	FC
Forézienne de participations	100	100	FC	100	100	FC
Géant Foncière BV	100	100	FC	100	100	FC
Géant Holding BV	100	100	FC	100	100	FC
Géant International BV	100	100	FC	100	100	FC
Gelase	100	54.77	FC	100	100	FC
Helicco	100	100	FC	-	-	-
Intexa (listed company)	98.91	97.91	FC	98.91	97.91	FC
Marushka Holding BV	100	100	FC	100	100	FC
Saowanee	100	48.99	FC	100	48.99	FC
Ségisor SA	100	77.39	FC	100	100	FC
Sonnat	100	100	FC	-	-	-
Tevir SA	100	100	FC	100	100	FC
Tonquin BV	100	100	FC	100	100	FC

(i) The percentage interests correspond to the percentages held by the Monoprix subgroup.
(ii) The percentage interests correspond to the percentages held by the GPA subgroup.
(iii) Although GPA only owns 10% of Novasoc, it is fully consolidated as GPA controls 99.98% of the voting rights under the shareholders' agreement.
(iv) FIC and BINV finance purchases made by GPA's customers. These entities were created through a partnership between Banco Itaú Unibanco S.A ("Itaú Unibanco"), GPA, and Via Varejo. They are accounted for by the equity method as GPA only exercises significant influence over their operating and financial policies.
(v) The percentage interests correspond to the percentages held by the Via Varejo subgroup.
(vi) The percentage interests correspond to the percentages held by the Éxito subgroup.

Note 17 Standards and interpretations published but not yet mandatory

Standards and interpretations not adopted by the European Union as at the reporting date

The IASB has published the following standards, amendments to standards and interpretations which have not yet been adopted by the European Union and which apply to the Group:

Standard (application date for the Group subject to adoption by the EU)	Description of the standard
IFRS 16 *Leases* (1 January 2019)	This standard is subject to retrospective application. It lays down the principles of recognition, measurement, presentation and disclosure of leases for lessors and lessees. It replaces the current standard IAS 17 along with interpretations of this standard.
IFRS 9 *Financial instruments* (1 January 2018)	This standard is subject to retrospective application. It proposes a single, logical approach to the classification and measurement of financial assets which reflects the business model for managing them, as well as their contractual cash flows; a single, forward-looking impairment model based on “expected losses”; and a substantially reformed approach to hedge accounting. The information in the notes to the financial statements is also strengthened.
IFRS 15 including amendment *Revenue from contracts with customers* (1 January 2018)	This standard is subject to retrospective application. It establishes the principles for revenue recognition from contracts with customers (except for those covered by specific standards: leases, insurance contracts and financial instruments). The core principle is to recognise revenue so as to describe the transfer of control of goods or services to a customer for an amount that reflects the payment that the entity expects to receive in consideration of these goods or services.
Amendments to IFRS 10 and IAS 28 *Sale or contribution of assets between an investor and its associate/joint venture* (1 January 2016)	These amendments are subject to prospective application. The objective of the amendments is to reduce the conflict between the guidance of IFRS 10 and IAS 28 regarding the sale or contribution of assets between an investor and an associate or joint venture. The primary result of these amendments is the full recognition of a gain or loss on disposal when the transaction involves a business as defined in IFRS 3 (whether it involves a subsidiary or not).

An initial analysis of the main impact of the application of IFRS 15, IFRS 9 and IFRS 16 on the Group’s consolidated financial statements will be launched in 2016.

The amendments to IFRS 10 and IAS 28 should have no material impact on the Group’s consolidated financial statements.

Standards and interpretations adopted by the European Union as at the reporting date but not yet mandatory

The IASB has issued the following standards, amendments and interpretations adopted by the European Union but not yet mandatory as at 1 January 2015 and which apply to the Group:

Standard (Group application date)	Description of the standard
Amendments to IAS 19 *Employee contributions* (1 January 2016)	These amendments are subject to prospective application. They apply to contributions from employees or third parties to defined-benefit plans. This amendment simplifies the accounting for contributions, which are independent of the number of years of service of the employee.
Annual improvements to IFRS standards *2010-2012 cycle* (1 January 2016)	These amendments are subject to prospective application. The standards concerned include: - IFRS 2 – Share-based Payment; - IFRS 3 – Business Combinations: - IFRS 8 - Operating Segments; - IFRS 13 - Fair Value Measurement; - IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets; - IAS 24 - Related Party Disclosures.
Amendments to IAS 16 and IAS 38 *Clarification of acceptable methods of depreciation and amortisation* (1 January 2016)	These amendments are subject to prospective application. The IASB has specified that the use of a depreciation or amortisation method based on revenues is not appropriate, since the revenues generated by an activity that includes the use of an asset reflect factors other than the consumption of the economic benefits associated with this asset.
Amendments to IFRS 11 *Acquisition of an interest in a joint operation* (1 January 2016)	These amendments are subject to prospective application. The published amendment specifies the recognition of acquisitions of interests in a joint operation in which the activity of that operation constitutes a business as defined in IFRS 3 – Business combinations. For these acquisitions, an entity must apply the accounting principles relating to business combinations as per IFRS 3, and other IFRSs that do not conflict with the guidance of IFRS 11.
Annual improvements to IFRS standards *2012-2014 cycle* (1 January 2016)	These amendments are subject to prospective application. The standards concerned include: - IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations; - IFRS 7 – Financial Instruments: Disclosures; - IAS 19 - Employee Benefits; - IAS 34 - Interim Financial Reporting.
Amendments to IAS 1 *Disclosure initiative* (1 January 2016)	These amendments are subject to prospective application. The published amendment specifies the provisions related to two points: - the application of the materiality concept, specifying that it applies to financial statements, including the notes to those financial statements, and that the inclusion of immaterial information may make them less understandable, - the application of professional judgement, by marginally altering certain language considered prescriptive and thus leaving no room for judgement.

These amendments should have no material impact on the Group's consolidated financial statements.

Statutory Auditors' Report on the consolidated financial statements
Year ended December 31, 2015

(Free translation of a French language original)

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside the consolidated financial statements.

This report, should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying consolidated financial statements of Casino, Guichard-Perrachon;
- the justification of our assessments;
- the specific verification required by French law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. - Justification of assessments

In accordance with the requirements of article L. 823-9 of the French commercial code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Non current assets

Your Group is required to make estimates based on assumptions regarding the impairment tests of goodwill and other non current assets as described in note 10.5 of the notes to the consolidated financial statements. The recoverable value of non current assets is estimated using notably cash flow and earnings projections contained in the Group's long-range business plans approved by the management. We examined the consistency of assumptions, the data resulting from these ones as well as the available documentation. Based on those, we assessed the reasonableness of the Group's estimates. We also reviewed that note 10.5 of the notes to the consolidated financial statements provides an adequate information.

Provisions

Your Group records provisions based on estimates in order to cover risks and charges as described in note 13 of the notes to the consolidated financial statements. We examined data and assumptions underlined to these estimates and reviewed the computations performed. We also reviewed that note 13 of the notes to the consolidated financial statements provides an adequate information

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and, therefore, contributed to our audit opinion expressed in the first part of this report.

III. - Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Lyon, March 10, 2016

The Statutory Auditors

Deloitte & Associés

Ernst & Young et Autres

Gérard Badin Antoine de Riedmatten Sylvain Lauria Yvon

Salaün